

263176

JPRS 81445

4 August 1982

19980922 111

Latin America Report

No. 2550

FBIS FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

5
159
A08

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

JPRS 81445

4 August 1982

Latin America Report

No. 2550



FOREIGN BROADCAST INFORMATION SERVICE

4 August 1982

LATIN AMERICA REPORT

No. 2550

CONTENTS

ENERGY ECONOMICS

ARGENTINA

- Gas Shortages Blamed on Policy Deficiencies
(LA PRENSA, 5 Jul 82) 1

MEXICO

- Oil Exports From Pacific Coast Facilities To Begin
(EXCELSIOR, 21 Jun 82) 3

COUNTRY SECTION

INTER-AMERICAN AFFAIRS

- Regional Agricultural Cooperation Council Holds Meeting
(LA NACION INTERNACIONAL, 11-17 Jun 82) 4

ARGENTINA

- Transition Phase Faces Unsteady Political, Military Scenario
(LA NACION, 11 Jul 82) 11
- Cavallo's Approach to Economic Problems Outlined
(Roberto Fernandez Taboada; SOMOS, 9 Jul 82) 17
- 'CONVICCION' Defines President's Personality
(CONVICCION, 1 Jul 82) 20
- Martinez de Hoz on Foreign Debt, Exports, Trade
(Jose Alfredo Martinez de Hoz; LA NACION, 4 Jul 82) 23
- Christening and Launching of Missile Corvette A.R.A. Espora
(ACTIVIDAD NAVIERA, No 158, 1982) 29

Bignone Supports Yacyreta Construction (CONVICCION, 1 Jul 82)	34
Briefs	
Grain Exports	35
Trade Balance	35
BAHAMAS	
Briefs	
FNM Senators Announced	36
BRAZIL	
Liberal Party Organizer Voices Support for Figueiredo Policy (O GLOBO, 26 Jun 82)	37
Post-Convention Poll Projects Quercia-Montoro Victory (JORNAL DO BRASIL, 29 Jun 82)	40
Andreazza Discounts Possibility of Changes in Economic Policy (O ESTADO DE SAO PAULO, 2 Jun 82)	42
Launching of Sonda III Signals Entry Into Space Community (Alexandre Garcia; MANCHETE, 17 Jul 82)	44
Air Defense To Depend More on Nationally Built Aircraft (Ateneia Feijo;MANCHETE, 10 Jul 82)	47
Japan Denies Rumored Dissatisfaction, Guarantees Investment (O ESTADO DE SAO PAULO, 24 Jun 82)	55
Establishment of Industrial Districts Discussed With Paraguay (O ESTADO DE SAO PAULO, various dates)	57
Natural Preference	
Joint Associations	
Iraqi Minister Says Preferential Trade Treatment To Be Given (O ESTADO DE SAO PAULO, 16 Jun 82)	59
Businessman Identifies Possible Areas of Trade With Cuba (FOLHA DE SAO PAULO, 22 Jun 82)	61
Briefs	
Sonda III Launching	63
Army Seeks Higher Budget	63
Chinese Interest in Bandeirantes	63

CHILE

Increased Gold Production: 10 Tons Expected in 1982
(EL MERCURIO, 21 Jun 82) 65

Private Company Manufactures Fragmentation Bombs
(EL MERCURIO, 21 Jun 82) 67

COLOMBIA

M-19 Bulletin Addressed to New Administration
(EL TIEMPO, 24 Jun 82) 69

Briefs
FARC Shoots Suspected Informants 70
FARC Kills Five in Santander 70
M-19 Kidnappers Killed 70

CUBA

Valdivia on Falklands Crisis, U.S. Policy
(Elpidio Valdivia; VERDE OLIVO, various dates) 72

U.S. 'Scorns' Latins
NATO's Position
U.S. Foreign Policy

Jovellanos Experimental Cane Station Described
(Andres Rodriguez; BOHEMIA, 2 Jul 82) 81

Reportage on 'Ivory Islands' Merchant Crew, Ship
(Gregorio Hernandez; BOHEMIA, 2 Jul 82) 86

Importance of Import Substitution Discussed
(Julian Ramos; BOHEMIA, 18 Jun 82) 88

National Civil Defense Schools Outlines Mission
(Havana Domestic Service, 22 Jul 82) 93

Closing of Construction Conference Reported
(Havana Domestic Service, 16 Jul 82) 94

Machado Ventura Discusses PCC Composition
(Jose R. Machado Ventura; CUBA SOCIALISTA, Mar 82) 95

Light Industry Report to National Assembly
(Manuel Millares; GRANMA, 5 Jul 82) 106

Briefs
Matanzas Water System 114
Economy, Defense Evaluated 114
Recreational Camp Opened 114
Cuba Marks Sandinist Anniversary 115
Raul Castro Opens Center 115

EL SALVADOR

Some 200 Land Titles Distributed in Usulután (EL MUNDO, 4 Jun 82)	116
Text of Authentic Interpretation of Decree No 6 (LA PRENSA GRAFICA, 14 Jun 82)	117
Foreign Trade Minister for Free Enterprise System (EL MUNDO, 15 May 82)	119
Briefs Magana on Suspension of 207	120

GUATEMALA

Advantages of Exchange System Decentralization Reported (DIARIO DE CENTROAMERICA, 7 Jun 82)	121
Christians in Exile Score U.S. Evangelical Church (EXCELSIOR, 15 Jun 82)	124
ANACAFE Says Coffee Growers Undergoing Serious Crisis (EL IMPARCIAL, 10 Jun 82)	125

JAMAICA

Manley Calls Country Reagan's Yo-Yo (ADVOCATE-NEWS, 21 Jul 82)	127
---	-----

MEXICO

Self-Sufficiency in Wheat Production Predicted for 1982 (Carlos Canton Zetina; EXCELSIOR, 23 Jun 82)	129
Briefs PEMEX Employment Cutback	131
Peasants Occupy Farm Land	131
Minatitlán Unemployed Number 40,000	131

NICARAGUA

Borge Scores U.S. Policy, Supports Palestinians (EL NUEVO DIARIO, 25 Jun 82)	132
---	-----

VENEZUELA

Jorge Olavarria Analyzes Port of Spain Protocol (Editorial, Jorge Olavarria; RESUMEN, 27 Jun 82)	137
---	-----

GAS SHORTAGES BLAMED ON POLICY DEFICIENCIES

Buenos Aires LA PRENSA in Spanish 5 Jul 82 sec 2 p 1

[Text] Like an endemic disease, each year there is a deficient supply of gas, causing the well-known difficulties for consumers and prompting repeated statements designed to justify a shortage belied by the extraordinary abundance of gas. In fact, the country has such large reserves that, in March 1980, its representatives met with officials of Petrobras, the Brazilian government institution, to provide them with the product by means of the construction of gas pipelines that would be met by similar lines to be installed in the neighboring country. On that occasion, one of the Brazilian exports declared that in Argentine gasfields "approximately 3 billion cubic meters of gas is being squandered each year." The gas that is consumed without benefit would, under normal circumstances, represent about 20 percent of what the country uses; it also means that the costs of exploitation increase by that proportion.

Given the notorious secrecy that is maintained in government enterprises, no one knows if that evaporation of wealth is still going on. It may have been reduced by the construction of the central-west gas pipeline last year to transport the product from Neuquen to Cuyo and Santa Fe, meeting up with the pipeline from the north to reinforce the flow of gas to the federal capital. Nonetheless, in 1981 Argentina bought \$330 million in natural gas from Bolivia, 50 percent more than it had bought in 1980.

Last October the president of State Gas reported that "the enterprise loses \$300,000 a day" because "the rates set by the Undersecretariat of Energy are too low."

Last 30 June the new head of that agency explained that the deficient supply of gas could not be solved because of the huge investments that would have to be made to cover the days of peak consumption. He added that the shortage of the fuel lasts only a short time--some 20 days a year--because of the intense cold (which reduces the fluidity and displacement of the gas), and that the enterprise's transportation network has a limited capacity. He also noted that "we cannot have a network standing by for a possible increase in consumption on a few days, and then have idle capacity the rest of the year."

Without going into technical details, it appears that the greater capacity to transport gas would not remain idle because the purchases from Bolivia are not made just for the 20 days of peak consumption as estimated by the enterprise, but all year round. Moreover, during periods when consumption is low, the gas could be kept in storage facilities in the service areas, to be used when needed, as happens in other parts of the world. It is not acceptable, however, to burn off the gas in the air and lose it, claiming that we have large gas reserves, to buy part of our gas from Bolivia and to try to sell huge volumes to Brazil, while the consumer has to put up with inconveniences because of the "shortage of gas." Analyzing the available information, it is clear that the official policy in this matter is not properly grounded.

8926

CSO: 3010/1936

OIL EXPORTS FROM PACIFIC COAST FACILITIES TO BEGIN

Mexico City EXCELSIOR in Spanish 21 Jun 82 pp 4-A, 30-A

[Text] Starting this week, PEMEX will begin exportation of oil via the Pacific Ocean. The first shipment will be made to Japan, on the cargo buoy installed in the open sea, opposite the port of Salina Cruz, PEMEX reported yesterday.

The semi-official enterprise indicated that during a recent visit of PEMEX director, Julio Rodolfo Moctezuma, a shipment to Japan was agreed on of 120,000 barrels daily during June; 150,000 barrels daily in July, August and September and 160,000, also daily, during the last quarter of the year.

The shipments of Mexican crude will be made to the enterprise Mexican Petroleum Import Company (MEP), a Japanese company that contains 24 Japanese refineries.

PEMEX specified that the first tanker ship that will be supplied at the Salina Cruz buoy will be the "Gekko Maru", whose arrival is expected between the 21 and 24 of this month, and it will set sail with an approximate volume of 1,650,000 barrels.

The second shipment will be made between 25 and 30 June with a similar volume, which will be carried by the tanker ship "Gold Ambassador", whose arrival is estimated about this time.

PEMEX also reported that from the Salina Cruz buoy crude will be supplied of approximately 32 API, because in order to complete the proportion of Maya and Istmo types agreed between PEMEX and MEP, the Japanese firm will load the remainder at the Mexican Gulf port in July.

Finally, PEMEX pointed out that the new Mexican loading point in the Pacific will represent for the Japanese company substantial savings in freight, since, for example, the distance is similar to that between the loading terminals in the Persian Gulf and Japan.

9549

CSO: 3010/1839

REGIONAL AGRICULTURAL COOPERATION COUNCIL HOLDS MEETING

San Jose LA NACION INTERNACIONAL in Spanish 11-17 Jun 82 pp 8-9

[Text] A constant battle against quotas and unfair prices for their export products, as well as a war without let-up against disease is being fought by the farmers of Central America. This situation coincides with a tremendous effort to achieve internal self-sufficiency.

These subjects were discussed by the Regional Agricultural Cooperation Council of Central America, Panama, and the Dominican Republic (CORECA) in San Jose on 8 and 9 June.

The meeting was held at the Inter-American Institute for Agricultural Cooperation at San Isidro de Coronado, some 10 kilometers outside of San Jose, and was attended by the ministers of agriculture and animal livestock of the isthmus, as well as by the vice ministers of Nicaragua and the Dominican Republic.

The event was opened by the President of Costa Rica, Luis Alberto Monge, who pleaded for peace in the region and avoidance of "the total prostration that is impending as a result of the senseless fratricidal fighting."

Recommendations

Following its deliberations, CORECA proposed on 9 June the creation of an emergency fund to be used to meet natural disasters and asked the Central American Economic Integration Bank (BCIE) to establish it.

It also called on the community of nations to help the Honduran and Nicaraguan Governments rebuild the areas affected by the recent floods.

The organization also asked international institutions for greater speed and flexibility in providing the resources already committed for different programs.

For example, it requested the Agency for International Development (AID) to contribute the \$852,000 it had agreed to furnish at previous meetings of the Technical Committee.

Other resolutions dealt with production, distribution, and storage of basic products and the adoption of policies that would provide greater nutritional security in the region, in view of the serious shortages being experienced by these countries.

With regard to specific products, CORECA set as priorities the production and processing of milk, improvements in coffee growing, and the development of an integrated system to produce and market basic grains more efficiently.

Concerning future investment planning, the officials agreed to promote the exploitation of fishing resources, improve disease resistance for plants and animals, and conserve renewable natural resources.

Order in Agriculture

Meanwhile, some delegates presented a general panorama of the agricultural situation in their countries, along with the efforts and assistance being given by the United States to improve production.

According to Miguel Angel Bonilla Reyes, minister of natural resources, the Government of Honduras is making preparations to establish the outlines of a completely reformed and reorganized agriculture.

This objective will be in harmony with the aspirations of small farmers and provide guarantees to the independent producer, thus contributing to the growing of a wider variety of farm products.

Therefore, he said, the government will create incentives and authorize credits and technical assistance as a means of increasing production, jobs and exports.

The goal, said Bonilla, is to achieve a greater balance between products meant for export and those meant for local consumption in order to lower the deficit in the Honduran balance of payments. It is necessary to strive to attenuate the serious deficiency of this nation in the area of nutrition, he said.

The minister said that priority is being given to the production of basic grains within these policies "with the object of increasing productivity levels in our export lines."

Concerning agricultural imports, the government of Roberto Suazo Cordoba is continuing with its plans to become self-sufficient in basic grains and milk.

Bananas and Coffee

With respect to banana production--the country's principal export--it remains stable, but there are serious problems regarding prices, which are also reflected in other export crops, such as sugar, beef, and lumber.

The presence of diseases such as rust and borer, the minister remarked, has created serious complications for coffee growers. Some 40,000 manzanas of

this crop are suffering from the effects of rust, and it is estimated that the consequences will be increasingly felt during the 1982-1983 harvest.

This, added to the drop in prices on the international market, will greatly inhibit receipts of foreign exchange by the nation.

Guatemala

Crop infestation is also seriously affecting the economy of Guatemala, especially coffee, which, like Honduras, is suffering from rust and borer.

Otto Martínez, minister of agriculture and livestock, said that the latter appeared in his country several years ago, and that it had greatly affected coffee production, although efforts are being made to control it.

According to production estimates, he explained, borer affects 10 percent of the coffee harvest, or 300,000 quintals, valued at more than \$36 million.

The Ministry of Agriculture and Livestock and the National Coffee Growers Association (ANACAFE) joined forces to combat this evil more effectively. Private enterprise is also collaborating, Martínez stated.

The other problem affecting the coffee plant is rust, which was discovered in the eastern region of Guatemala on 10 December 1980 in an area covering 5 manzanas (3.5 hectares). Later evidence revealed that the fungus had spread to other growing regions.

A commission made up of Mexican and Guatemalan experts was organized to coordinate action against rust, which will be arranged through a bilateral agreement with the support of both countries. It will begin on the premise, said the minister, that this is an exotic disease.

The recent appearance of rust and the means taken to control it have prevented its effects from being felt, although they could multiply by the next harvest.

Sugar Quotas

Otto Martínez also mentioned the subject of sugar quotas set by the United States for producing countries, he asserted that there is a discrepancy between them and the volume of production.

"We are confident," he added, "that if through the Reagan plan there is an improvement in the quota system and better prices are obtained for sugar, and the duty that protects the U.S. producer is eliminated, it will be beneficial for the countries that export this product."

Sigatoka and Strikes

At the other end of the isthmus, Panama, black sigatoka and strikes are the principal scourges of banana production, René A. González, minister of agricultural development, observed.

Despite this, production has increased, he added.

Gonzalez explained that recently an attempted strike reduced planned exports of the product, affecting 45,000 boxes worth \$3.75 each f.o.b. The Ministry of Agricultural Development is responsible for the problems of the independent growers while United Brands deals with its own problems.

The former includes two companies, Panama Banana Company (COBAPA) on the Pacific and the National Banana Company (COBANA) on the Atlantic Side. COBAPA faces greater problems as it is suffering from a series of technical and financial difficulties, which are being corrected prior to the transfer of the company to the private sector.

The principal banana producing regions are in the provinces of Bocas del Toro (Atlantic) and Chiriqui (Pacific).

Agricultural Priorities

The government of President Aristides Royo, Gonzalez asserted, has decided to give priority to the farm sector in its overall planning.

Specifically, it is hoped to return this sector to its leading position in the economy and provide technical assistance to producers to protect and support them in order to obtain higher production.

The second priority is the provision of sound financing to the sector, which has already been strengthened by the Agricultural Development Bank and the Agricultural Marketing Institute; the latter guarantees farmers markets for their products.

Foot-and-Mouth Disease

Questioned on the danger presented by the opening of the Darien Gap on the Colombian border, the Panamanian minister replied, "There is still a natural barrier against foot-and-mouth disease which we will continue to protect since the Darien Gap has not yet been opened. We have a well-rounded plan to fight this epizootic disease by means of a program called the Committee to Prevent Foot-and-Mouth Disease (COPFA)."

This plan, Gonzalez said, will support officials assigned to this inhospitable region so that they can continue their struggle.

"Wealth through Work"

El Salvador was represented at the meeting in San Jose by its minister of agriculture and livestock, Miguel Moyshondt, who stated that plans for agricultural recovery are grouped under the term "wealth is not created by decree but by work." This could be interpreted as criticism of the policy of the governing junta in this field; the Junta handed over the reins of government to Alvaro Magana on 2 May.

The Salvadoran rightists have opposed the socio-economic reforms undertaken by the Christian Democrats, especially regarding land ownership.

Because of the temporary nature of the regime that has succeeded the junta, the minister realizes that measures needed in agriculture should be flexible and attainable in a short time. Muyschondt proposes to return to the production totals reached in 1977 and 1978 in order to obtain enough foreign exchange to sustain farmers and cattlemen.

The minister stated that he would emphasize the development of agroindustry, along with forestry and fishing, with the object of taking advantage of the raw materials of the earth.

To achieve recovery, he said, it will be necessary to ensure the production of the basic grains that sustain the people.

Muyschondt said that El Salvador faces decreasing farm and cattle production as a result of the violence carried on by the leftist guerrilla groups, who have created unsettled conditions by destroying crops and plantations and intimidating rural inhabitants.

The minister of agriculture also felt that certain laws governing agriculture, such as Decree 207, which forced landowners to give up parcels to those who had been working on them, so that they could then become the owners, were also unsettling.

However, this measure was temporarily suspended by the National Constituent Assembly, which is dominated by the rightist groups. The decision deeply disturbed the Christian Democrats and rural sectors of El Salvador.

Decree 207 allowed many families to have land to cultivate for the first time, a situation which should have been followed up by the provision of timely and accessible credits, the official said.

Regarding livestock, efforts will be made to extend credits to import cattle, with the object of replenishing the country's herds.

Reformed Sector

By confirming the sound decisions and rectifying the errors in the program, positive results are expected from agrarian reform for those benefiting from it.

To this end, he remarked, the ministry is trying to avoid joint government-cooperative undertakings so that the latter can assume its proper management role, even though it may need government assistance.

Muyschondt stated that personnel are being trained, and in addition programs and projects are being developed with the assistance of international organizations in agriculture that will encourage the formation of cooperatives.

Return to the Land

In Costa Rica meanwhile, the new government, of social democratic persuasion, was inaugurated on 8 May and proposed five objectives in the field of agriculture: produce more food, export farm products and obtain foreign exchange change, develop agro-energy to replace petroleum, create jobs, and "attain the ideal of a society of owners instead of a society of proletarians, giving greater support to medium and small farmers."

These goals are contained in the platform of the National Liberation Party (PLN), called "Let Us Return to the Land." This program is characterized as "the second stage in our integrated development; it is a return to farming, which constitutes the basis of our economy and our democratic life."

Included in the program is the mechanization of farming, "the adoption of new techniques of organization of production with a minimum of security in order to realize an adequate profit."

Within the emergency agricultural plan, some of whose measures have been partially sketched out but which are not really well known, several proposals are being contemplated, such as "adequate and timely credit at a reasonable cost, intensive technical assistance, adequate transportation, and efficient marketing and export facilities at the lowest cost possible."

Regarding the development of agro-energy, the minister of agriculture and Livestock Francisco Morales Hernandez, recently stated that "Costa Rica must carry out a determined and responsible petroleum exploration program to learn whether oil exists or not on a commercial scale."

Nevertheless, he noted that the country has other energy sources, such as hydroenergy, consisting of a high percentage of land adequate for forests and excellent farmland.

He summarized the energy policy within the "Let Us Return to the Land" program as consisting basically of an increasing integration of the energy system and agriculture, that is, the latter must augment its participation in the production of energy and increase the efficiency of the former in agriculture.

Lesser Interests

In a move encouraging to peasants and farmers alike (and included in the government program mentioned above) the board of directors of the Central Bank decided to lower interest rates from 25 to 18 percent on credit destined for agriculture and some livestock activities.

Thus, loans for the growing of sorghum, rice, corn, beans, vegetables, and sugarcane will be made at 18 percent.

Small farmers will be given loans at an even lower rate, 12 percent, while loans for cattle raising will be 4 points higher.

The bank stipulated that credits for replanting coffee plantations will be at 18 percent, for fattening cattle and for coffee operations 24 percent, and for the production of milk 16 percent.

The head of the institution, Carlos Manuel Castillo, said that the measure was aimed at eliminating a psychological obstacle affecting producers, who, upon considering interest rates, chose not to plant.

Serious Harm

Finally, the effects of heavy floods in Nicaragua and Honduras recently had serious consequences, especially in Nicaragua, which saw a considerable decrease in its food reserves.

In addition to the loss of large quantities of cattle (over 6,000 head were drowned), 60 percent of the corn was inundated and lost, 100,000 quintals of sugar were damaged, and coffee and cotton, two of the principal export crops, also suffered mortal blows.

Nicaragua planned to export \$500 million this year--a figure well below that needed for balancing its trade--but the disaster diminished that amount only to \$300 million. There were very high losses in lumber, textile products, and pharmaceuticals, mining, fishing, and tourism, etc.

In summary, the countries of Central America, troubled not only by share social and political problems, must also deal with conditions imposed by international markets on their agricultural products whose value in relation to the value of imports is deteriorating more and more.

If natural disasters and plant diseases are added, it is obvious that the economic life of the "banana republics," which depends above all on their agricultural exports, is more and more critical.

9015

CSO: 3010/1762

TRANSITION PHASE FACES UNSTEADY POLITICAL, MILITARY SCENARIO

Buenos Aires LA NACION in Spanish 11 Jul 82 pp 10-11

['Political Week' column: "The Transition Questioned"]

[Text] 'The Totalitarian Blow'

Only 10 days after its establishment, the transition has started to be the object of a certain amount of questioning.

The political debate is now frantically revolving around the certain opportunities afforded General Bignone's government to organize the institutional solution and a minimal system of economic order.

Military and civilians alike are aware of this dramatic situation although, once again, both, based on their respective types of inertia, appear to have selected different paths, insofar as time and methods for attaining the common goals are concerned.

The former have become absorbed in a search for some genius capable of restoring the Armed Forces' political unity. They realize that, without a constituent authority, however minimal and formal it may be, the specter of national dissolution could materialize dangerously.

The features of the transition are fading in this situation, and the time intervening before the advent of 1984 is beginning to elapse like an eternity. So, the virtual slogan is to use the necessary stop-gaps to enable the next 18 months to pass in moderate calmness, and in an atmosphere conducive to an orderly withdrawal.

Of course the politicians are noticing the same pitfalls, albeit from a different angle. But, as necessary successors in the government, they are starting to doubt the advantage, and even the feasibility of a long-term interregnum.

In their view, the prospect of a persistent distintegration of the military power not only undermines the new de facto system that promises elections, but, primarily, entails the risk of an immoderate military reaction.

The day before yesterday, during a television program, Dr Antonio Troccoli did not resort to any euphemisms to express that state of mind. He remarked: "If possible, elections should be called within 30 days, because I am afraid of a totalitarian blow."

In the same connection, most of the reactions evoked by Dr Dagnino Pastore's announcements agree in pointing out, over and above their different technical nuances, that it is impossible to expect consensus for an economic orientation stemming from a political power that is feeble and challenged in its very essence.

The Reestablishment of the Junta

In view of this clearcut evidence, it seems logical for the top military echelons, as planned, to continue expending their greatest energy next week to reestablish the Military Junta as a supreme organ of the state.

The one who has gone furthest in this direction has been Lt Gen Cristino Nicolaidis, when he stated the day before yesterday at Paso de los Libres that, "The Military Junta maintains full force within the system of government that has existed since March 1976."

It must be said that, for the present, the Army commander's claim seems more like an expression of desires than a correct description of reality.

Unless a secret pact of reconciliation among the forces has been signed, the well-known elements indicate that both the Navy and the Air Force are still dissociated from the political leadership of the nation, regardless of how close the opposing positions have come to one another.

A de facto agreement has, indeed, taken place among the three commanders to share responsibility in all matters relating to security and defense. For example, during the latest discussions of the Military Committee, the issues of the Beagle and the South Atlantic were taken up; but nothing has been decided jointly on substantial issues associated with the republic's internal existence.

Hence, the odd current situation might be described as follows: There is a unified authority for dealing with the country's most serious international problems, while the division, and consequently the Army's sole responsibility for handling internal policy, still continue.

To be sure, all that has been said does not deny the existence of negotiations aimed at a generalizing of the reunification; it simply indicates that the latter has not yet been achieved, and that there are many factors which augur a difficult transition toward the desired goal.

The Negotiations Concerning the Vice-Presidency

At this point, we must note some information concerning the direction taken during the past few days by the proposal to create the position of a civilian vice-president.

In this regard, it is known that General Nicolaidis strove intensively to attain the agreement of the other two branches on the matter as quickly as possible. The latest proposal was to arrive Thursday, at the annual comradeship banquet of the Armed Forces, with the settlement made; then the Army chief could have announced the new system of power and the consequent reunification of the military power in the presence of his two peers.

What were the factors that precluded the success of the attempt? There are only rumors and previous information to venture an answer.

Let us observe what the situation was during the previous week: The proposal originated with the Air Force; the Army assessed and adopted it; the Navy appeared hesitant.

If one considers the fact that, during the past few days, it was precisely Nicolai-des and Lami Dozo who appeared most optimistic over the prospects of a prompt reconciliation, it may be readily concluded that the situation of last week has not changed, and that the Navy still does not clearly discern the basis for the institution of a vice-presidency.

Since the latter branch, after the latest information that it released, has maintained not only an official, but also an unofficial silence, it is legitimate to assume that its opinions at that time are still held.

Therefore, it is perhaps fitting to give a reminder that: 1. there are no clear, feasibly founded reasons to prove the necessity for a civilian vice-presidency; 2. the important thing is the reunification of the branches; the Navy is willing to reconsider its positions; 3. the reinstatement should be publicly requested by the other two branches; 4. a precise reiteration of the goals of the institutionalization and of the agreement with the civilian sectors; 5. confirming, at all times and under all circumstances, the principle of the full sovereignty of the Malvinas, Georgias and South Sandwich Islands (last Sunday, in this same column, as a result of an unintentional typographical error, mention was made of "withdrawing" instead of "reiterating" this goal); and, 6. confirmation of Bignone's appointment by all the branches.

To put it plainly: In accordance with that Navy system, if Lami Dozo agrees to return and approve the Bignone appointment without bringing up the matter of the civilian vice-presidency, everything would be settled in a moment.

What is really being negotiated; what is the true nature and magnitude of the confrontation and what are the amounts of bigness and pettiness in all of this? These are questions which perhaps only the future will be able to answer.

Meanwhile, let us note that Dr Rafael Martinez Raymonda, the civilian most often mentioned in the rumors as the one to fill the position being studied, has shown approval for the idea, if it serves the purpose of institutionalization.

Open Gates

In the face of this uncertain picture of the military power, the political groups have, as they say in the committee's jargon, opened the gates with a view toward the forthcoming presidential candidacies; of course, most intensively among the Justicialists and Radicals, the first two minorities, based on the electoral tradition.

With respect to this issue, it seems necessary to be guided with caution and to avoid the exaggerated simplifications that usually conceal the facts, especially insofar as the confused internal situation of Peronism is concerned.

Prof Americo Ghioldi, that brilliant conscience of Argentine liberalism, has claimed on more than one occasion that the country will not have political stability until the Peronist issue, "the Argentine problem par excellence," as he says, has been resolved.

Now the prospect of imminent elections has updated the problem again, possibly with more uncertainty than on previous occasions.

With information gleaned from various Justicialist sources, one can compose a picture of the situation, the dynamics of which thus far would indicate the first signs of the difficult passage from a gregarious movement to the creation of an internal organic system that will afford its inclusion within the future institutional order.

The Weakness of the Council

The first definite feature noticed is the weakness of the Justicialist Party since, at the moment, it is only a part of the movement, the mechanism of which is completed with the trade union, male and female branches, and the Peronist youth.

A good indication of that weakness is the incidents which took place a few days ago at the Hotel Castelar, where a small group from the capital called "Return 2" and headed by Norma Kennedy, along with another group whose leader is Felipe Romeo (associated with the Azopardist metal workers) prevented Drs Luder and Robledo, and Mr Unamuno, from speaking. Those activists only toned down their ultra-verticalist slogans to allow the speeches of Torcuato Fino and the trade unionist Minichilo.

Something similar happened to the court clerk Bittel in Rosario, although with better luck, because a group of attendees at his lecture confined itself to starting a discussion which prompted him to make a surprising profession of verticalist faith. After that, Bittel publicly declared: "Things are working out for Isabel Peron."

The party's only more or less living entity is the National Council, because nearly all the districts in the interior are subjected to intervention, in the hands of triumvirates, and in many instances with just one triumvir in charge.

Even within the council, only the activity of a few of its members: Bittel, Carrasco, Iglesias, Sarbolí, Montenegro and Rosaura Isla, has been noted. The system of relations for each with the political movements that are acting to an increasing extent outside of the entity's sphere of influence is very much diminished.

It is said of Bittel, who is seriously afflicted with a gastroduodenal illness, that he has his main ideological backing from Dr Cafiero.

Herminio Iglesias, a trade unionist from Avellaneda, is protected by Julio Romero and Roberto Imbelloni, the owner and manager, respectively, of the Noel company.

Of all of them, perhaps Carrasco is the one most associated with the different historical movements of Peronism.

Peronist Internal Movements

With this description given, the most substantial aspect is evident within the so-called male branch, wherein the leading figures with a public reputation and the so-called "presidential possibilities," namely, Luder, Robledo, Ares, Camus, Llambi, Paladino, Guardo, and the aforementioned Cafiero, plus a very few others on the same level, are operating.

But from the present state to the nominations, a preliminary step owing to the necessary internal reorganization process, there is a long interval wherein the various political groups will have a certain amount of influence.

Hence, although the leaders just listed are the necessary frame of reference for these movements, the candidacies must emerge from the unknown combinations that may arise from among groups and personages. Since no one knows yet what that game of alliances will be like, to talk of sure candidacies now is premature.

At best, one could attempt a description of the leading groups with a capacity to wield influence:

1. The movement headed by Julio Romero, from Corrientes, has limited national repercussions that have, moreover, been reduced since the withdrawal of President Galtieri, a personal friend of Romero's, from the government. Even in its own province of origin, this line is encountering growing problems as a result of the action of opposing Peronist groups.
2. The "coordinating" entity, which is based on the orientation of Dr Angel F. Robledo, appears as a grouping of the best intellectual heads of Peronism, although with a relative political influence on the rank and file. Corvalan Nanclares, Roberto Grabois, Dante Loss, Norberto Agrelo, Diego Guelar (Bank of the West) and Gonzalez Arzac are militants therein.
3. The "negotiation and liaison commission," comprised of some leaders of the "historical" Peronism (Guardo, Llambi, Ares, Castineira de Dios and Framini); leaders of the intermediate generation, such as Unamuno, Beni, Anchorena, Paladino, and Jose Rodriguez (SMATA [Union of Mechanics and Related Automotive Transport Workers]), among others, and young politicians, such as Adroque (Buenos Aires), Gatica (Cordoba), Carrillo (Rio Cuarto), Aguirre (Corrientes), Guerrero (Tucuman), Reviglio (Santa Fe), Casas (Catamarca), Alvarez (Capital), Sanguinetti (Capital), Granata (Mendoza), Gurioli (Buenos Aires), Pandra (Capital), etc.

The "commission" is aligned within verticalism for the development of a policy for organizing the movement with clearcut rules of internal democracy and broad participation.

For these purposes, it maintains good relations with the Robledo group.

4. The "ultraverticalist" movement, headed by Juan G. Labake, former deputy from FREJULI [Justicialist Liberation Front], of Christian Democratic origin. Here, there can be assigned, with different nuances, Jose H. Martiarena (Jujuy), former president of the Workers White Party; Lazaro Roca (San Pedro), current secretary

general of the party council, at which he is never in attendance; Norma Kennedy, and Rodolfo Arce.

5. The permanent commission of homage to President Peron, chaired by Gen Ernesto Fatigatti, on which, together with old politicians from the capital, there are aligned the members of a group with headquarters in La Plata, called Orthodoxy. This is the location of Amerisse, Cano, Orsi, Rodolfo Kelly, etc. On occasion, this group agrees with the "ultraverticalists" on the basis of the friendship that exists between Labake and Amerisse.

6. The Doctrinal Reaffirmation Movement, led by the neurosurgeon Raul Matera, that has increasing links with the neo-Peronism of Seru Garcia (Mendoza), Felipe Sapag (Neuquen) and other interior districts.

7. The left, grouped together in Peronist Intransigence, under the guidance of Vicente L. Saadi, from Catamarca. Very close to Marxist positions, it has as a militant the former national deputy, Nilda Garre, current wife of Jose Manuel Abal Medina, who was recently released by the military government.

The foregoing are the leading internal Peronist movements, to which there must also be added other underground strata, the political influence of the two trade union confederations and the not to be underestimated influence of the female and youth branches.

2909

CSO: 3010/1937

CAVALLO'S APPROACH TO ECONOMIC PROBLEMS OUTLINED

Buenos Aires SOMOS in Spanish 9 Jul 82 pp 13-14

[Article by Roberto Fernandez Taboada]

[Text] On the day Domingo Cavallo (an economist from Cordoba who earned doctorates both in his province and at Harvard) was placed at the head of the Central Bank, Minister Jose Maria Dagnino Pastore said at the inauguration ceremony: "Dr Cavallo and I have been friends for a long time; we have studied together in the past, and for the last year we have been meeting every week to analyze the country's economic situation." Among the 150 people on hand were Guillermo Kuhl, former minister of industry under Roberto Viola; Luis Garcia Martinez, former chief of the advisers to Jose Alfredo Martinez de Hoz; and Hugo Lamonica, former undersecretary of finance under Lorenzo Sigaut.

When Cavallo took office on 2 July, it was the second time he had been named to a national office. During Gen Viola's presidency he had worked closely, as technical and coordination undersecretary, with the then minister of the interior, Gen Horacio Tomas Liendo. He attained notoriety when Liendo himself took over as interim president during Viola's illness: he was identified as the author of the package of economic measures advanced in December 1981, which lasted until the president was replaced. In his farewell letter of 16 December, he set forth several key ideas: "An open and competitive economy, but in a context of real, high and stable exchange parity, with tariffs kept moderate and limited in scope, an economy capable of generating a sustained surplus in the balance of trade. Great emphasis on drastically cutting public spending, by means including the suspension and postponement of public works projects, and above all through the debureaucratization of the economy."

Cavallo was undersecretary of development in Cordoba between 1970 and 1971, and vice-president of the Provincial Bank between 1971 and 1973. At one time he considered himself a liberal, but with certain reservations: "Liberal, but advocating the same rules for everyone so that there will be true competition." Beginning in 1977 he expressed his ideas on economics through the Institute for Economic Studies on the Situation in Argentina and Latin America, a subsidiary of the Fundacion Mediterranea of which he was president. Dagnino Pastore said of that organization: "It was one of the

economic research organizations that contributed most to the country in recent years."

[Words missing] it has been determined that with these measures the money supply will grow from 65 trillion to 186 trillion pesos in 2 months, which places us on the verge of hyperinflation." (Alberto Benegas Lynch, Republican leader)

Cavallo, according to sources close to him, believes that the danger of hyperinflation was already present when the enormous snowball of the extremely high financial debt was created: according to a private calculation, the government had to disburse about \$7 billion when the financial reform program was implemented, to back the guarantee for depositors. Now Dagnino Pastore gives his new point of view: "If the government is removed from the financial circuit, then for it the accounts will close perfectly. That is the extent of the interest payments made by state enterprises, interest that is not included when the Treasury does its accounting and calculates its deficit."

But it is also true that the credit that does not come from savings comes from rediscounting, which is a euphemism used to avoid a more disturbing term: printing more money. Otherwise, the amount of credit would have to be decreased, and that is not foreseen. On the contrary, in 90 days banks are required to present a plan to refinance these enterprises, and in the meantime no innovations are allowed. Wednesday's AMBITO FINANCIERO quotes a very disturbing prediction by an expert at the Ministry of Economics itself: "As far as I can see, we are headed toward total hyperinflation. We are going to end up printing new denominations of bills, as the Germans did. Some 135 trillion pesos is to mature as of now. Let us be a little optimistic and assume that only one-third of it, or 45 trillion, will be monetized (that is, will become bills or demand deposits instead of credit). That means a 50 percent growth of the money supply. That is hyperinflation." And that is the tone of some undeniable predictions which Dagnino and Cavallo ignore in their pitches for reactivation. The minister insists, it is rumored in the city, that his accounting was done right and the monetary program will work out.

Of course Dagnino Pastore's plan does not end there. It has scenarios for too many variables, and there was no time for a more profound analysis. Moreover, new measures have yet to be issued, including those related to wages. But the broad lines of the plan are evident. Dagnino Pastore was forced by political considerations to reactivate, and to achieve that end he has formulated a plan with perhaps more central planning aspects than he would have liked (this is the response). One who does not believe in a controlled economy does not like to have two exchange markets, especially when the peso has been devalued by no less than 1,240 percent over the past 18 months. Nor does he like to impose withholding of 25 percent on agriculture (which is once again a scapegoat); growers are beginning to tear out their hair over that move. But he is obligated to keep the foreign debt in check, and therefore he must necessarily make the financial dollar more expensive, even at the risk that exporters (despite the index pricing) will underbill and that importers (despite the appraisals) will overbill.

At any rate, some voices are already warmed up for the chorus:

--Agriculture will protest: "I think push will really come to shove now, because we are not in a position to work with a net dollar of 15,000 pesos," said Julio Romero Feris to SOMOS. An exporter announced that "with the low parity they established, people are waiting for the new devaluation." Emilio Abhabe did not mince words: "Withholding again."

--Industry is preparing to smile again. Financial costs have been eased for this sector, which asserts that Cavallo and Dagnino Pastore think and act alike. It does fear the price agreement, however.

--Labor unions are a bit reticent. At the Azopardo General Labor Confederation (CGT-moderate), SOMOS heard this comment: "The measures do not take workers' demands into consideration as they should." At the Brasil CGT, a leader remarked: "It does not appear that the working class can expect much from this plan."

What about the ideological debate? Some applaud the measures simply because they call for central planning, although they may attempt to restore liberalism if they are successful. Others criticize the measures regardless of the results they may yield, simply because they call for central planning. A liberal commented to SOMOS: "What is certain is that this debate is not very academic. When a government attains the size and weight it has here, the liberal solution is to try to reestablish the market, even if you have to use central planning tools to do so. Liberalism is a political concept. It is based on protecting individual freedom; that is why separation of powers was devised. But the state thumbed its nose at the law and encroached on the individual through the economy. That encroachment is being denounced for one simple reason: inflation. That is why the liberal is anti-inflation." The great question that remains unanswered in the Dagnino-Cavallo plan is just that: To what extent will it be inflationary? Beyond the ideological debate that is coloring the scene, one thing is certain: there was a crisis in 1976 and it still exists in 1982, aggravated in many aspects and alleviated in others. Where is the common denominator, the common thread? It is inflation, as evident in 1982 as it was in 1976. Now as then, it is not clear whether we are once more going to spend what we do not have; whether the prize will go to efficiency, or to the best lobby; whether he who paid his debts--despite interest rates and 1050--is better off than he who did not; or whether he who tried to capitalize is better off than he who didn't, etc.

8926

CSO: 3010/1936

'CONVICCION' DEFINES PRESIDENT'S PERSONALITY

Buenos Aires CONVICCION in Spanish 1 Jul 82 p 13

[Article: "The Profile of the Chief Executive"]

[Text] Tall, slender, prematurely gray (he was 54 years old on 21 January), with a deliberate manner of speaking, and a firm, yet warm expression, Div Gen (ret) Reynaldo Benito Antonio Bignone does not evince the anticipated aspect of a military man in his speech and gestures. His tendency toward unassuming dialog, and the expression of simple, clearcut ideas without blunt qualification or bombastic terms, dispels the image of the military man facing the troops in a fiery speech or giving loud orders.

A lifelong resident of western Buenos Aires, this native of Moron and resident of Castelar who is today assuming the leadership of the executive branch of the nation completed a brilliant professional career, which led him to serve in key Army posts.

His reserved image conceals the military man with very clearcut ideas about his profession and, at the same time, discloses without any effort the seasoned politician, the man who can handle periods of heavy dialog with natural ease, underscoring the desired notion at a timely interval, and setting forth his ideas clearly when it is necessary.

Unquestionably, the selection of a brilliant practitioner of dialog to occupy a position at the head of a government that has proclaimed its desire for convocation with all the sectors of national life was not fortuitous.

Class of '76

A close friend of Jorge Rafael Videla (they are old buddies), Bignone belongs to the Army's graduating class of '76, which included Nicolaides, Bussi, Villarreal, Martinez, Liendo and Crespi. The friendship with Videla was made when both were residents of Hurlingham and they worked together on the remodeling of a school.

United by family histories, the closeness created between the two generals was extended years later, when Videla occupied the presidency of the nation, and a fondness was formed that transcended the image of the president-friend, covering all aspects of government activity.

Some associates find in that network of loyalties the explanation for the backing that Bignone gave at the time for the current economic policy. His candor and his tendency not to conduct himself vaguely prompted him to defend the economic policy of the government of "his friend" Videla, particularly when one considers the fact (the associates stress) that, at their beginnings, Martinez de Hoz' proposals were quite the opposite of the economic line removed along with its backers in April 1976.

One learns from military circles that his relations with Galtieri were not at all smooth, and he decided to request retirement.

A Key Post

For 2 years, between 1978 and 1980, Bignone held the post of secretary general of the Army. The military man responsible for those essentially political functions is the force's natural contact with his peers in the Navy and Air Force; and, together, they were the ones responsible at the time for implementing the plans and directives emanating from their respective commands and from the Military Junta itself.

Carrying out those functions, Bignone was a member of the "Beagle" task force (at one time with the now brigadier general, Lami Dozo), and he visited Rome on several occasions to participate in the negotiations conducted in the context of the papal mediation.

Another task that has assumed significance now had to be performed by Bignone when he was secretary general. At that time, the general guidelines that the Armed Forces deemed fitting for producing the documentation to regulate the operation of political activity were starting to be devised. These were the bases for the preparation of the Statute for Political Parties that it will be the duty of Bignone himself to announce in his capacity as president.

Unanimous Choice

"I never had any ambitions to go further in the political area. I had my ambitions, yes, but they were carried out in my military career, exclusively in my profession." This was Bignone's answer to a question (asked by the magazine GENTE) referring to the lack of opposition or enmity within the Army toward his image. With a repetition of the query, and after an explanation of the more or less political nature of certain posts within the branch of service, Bignone ended by admitting: "Well, it might be improper for me to say so, but I assume that if they chose me unanimously, there must have been something of the sort."

Mission Not Impossible

Sincerity, integrity, equanimity and a lack of political ambition may have been quite evident as qualities of Bignone when his image emerged, catapulted by the high-ranking Army commands to direct this risky phase of the military government that must end with the turnover of power to the political forces.

The public's widespread incredulity regarding the success of this proposal, insofar as its stability (that is, the definitive institutional normalization) was concerned, was also brought up to Bignone by GENTE.

He replied: "One can never be sure, and it would be irresponsible to attempt to voice that sureness, but, I insist, we have the maximum chances of its being so"; adding: "It is a question of the ability of the one directing this final interval of the transition (which is precisely my obligation), of knowing how to capitalize on all that (the mistakes of the past), so as to prove the dangers of taking an exaggerated course of action." Bignone ended his reflection on the matter by stating: "And then, the entire process must be directed along the path of calmness and logic, learning to set aside sectorial interests and to consider the national interest."

Ban and Timetable

After the dialog with the party leaders that Bignone held last Thursday in the National Congress, the impression gained following the exhausting meeting confirmed, in principle, the correctness of the choice of Bignone for the critical transition toward democracy. In that first, decisive contact, his skill at dialog with seasoned scrutiziners (some of them relentless) of the desired verbal feat devoid of assurance was demonstrated.

It sufficed for Bignone to confess his closeness to the politicians, to express "with humility" his recognition of, and his respect for the national political leadership there present, and to pledge to lift the political ban upon taking office as president and to set the dates of a political timetable within a short time, for the as yet unborn government, in a context of general uncertainty regarding its future, to find through this thoughtful, "unconventional" general the vital space required to achieve, with a minimal consensus (it exceeded the minimum, of course), the opening of a presidential term marked by gloomy prospects, in view of the break in the unity of the military leadership of the political process.

This is no small merit for a man who said of himself: "If I lacked character or energy I do not think that I would have become a division general, or passed the first years at the Military Academy. So, I want to introduce myself with humility, yes, but it must be made clear that this is by no means an indication that I am lacking in character or energy for confronting the uncertain times in which we are living."

2909

CSO: 3010/1937

MARTINEZ DE HOZ ON FOREIGN DEBT, EXPORTS, TRADE

Buenos Aires LA NACION in Spanish 4 Jul 82 sec 3 p 1

[Commentary by Jose Alfredo Martinez de Hoz]

[Text] To deal with the issue of our foreign debt, even if very superficially, we must begin by recognizing that foreign financing of the public sector is indispensable for complementing the country's available resources. Such resources, whether from tax revenues or from the local capital market, are not enough to provide the proper stimulus for our development. Similarly, the private sector resorts to foreign credit for the same reasons. The difference between the local and international interest rates provides an additional incentive when the latter is lower.

The international financial market has had an increasingly larger volume since 1973, when the rise in oil prices meant strong balance of payments surpluses in oil exporting countries. This gave rise to the process known as the "recycling of petrodollars" through international banks (the volume of the Eurodollar market multiplied tenfold in a decade).

Lack of Confidence in 1975

The modest level (in absolute terms) of the Argentine foreign debt in 1975 can be explained by the lack of foreign confidence in our economic situation, which prevented us from gaining access to these expanded financial resources. Consequently, we lost opportunities to use such resources to stimulate our economic development.

The confidence inspired by the economic program of 2 April 1976 reversed this situation. Thus, we had access to the better terms and interest rates of credit from international organizations such as the World Bank and the Inter-American Development Bank (with terms of up to 20 years), as well as foreign commercial banks and the international financial markets for the placement of government securities and bonds (with terms of up to 10 years).

Growth of Debt

The Argentine foreign debt, in both the public and private sectors, grew substantially in absolute terms. But because the economy also grew during

the 1976-80 period (albeit with some ups and downs), as did international reserves, the level of our net foreign debt (the gross debt less reserves) in relative terms, in relation to exports, is compatible with the country's payments capacity.

It should be noted in this regard that on 12/31/80 our net foreign debt was equal to less than the value of 2.5 years of our exports (2.4), the same ratio that existed in 1975. Actually, the ratio was even more favorable in 1980, because in 1978 the Central Bank expanded the categories included in the foreign debt statistics (incorporating the entire debt with a term of less than 1 year, including the commercial debt and that between local subsidiaries of international firms and their headquarters, which formerly were not counted). In addition, the amount corresponding to the foreign private debt could be reduced by \$4 billion, because according to official estimates as of September 1981, that sum represents debts cancelled but not reported as such to the Central Bank. Therefore, the total for 12/31/80 is less than 2 years of exports.

While it is true that by 12/31/81 this ratio had increased (both because of the growth of the gross debt and because reserves declined) to about 3 years of exports, this situation is still manageable without resorting to extraordinary methods of overall refinancing, assuming, of course, that there is confidence in the international financial community.

Without Confidence, Any Debt Unacceptable

In this regard, if there is no confidence, any level is unacceptable. Remember that even with the apparently modest foreign debt of \$7 billion of March 1976, Argentina faced a virtual cessation of payments abroad.

Prudent Not to Increase Debt

At any rate, bearing in mind that international liquidity is more restricted because the level of oil prices and production is no longer generating the great balance of payments surpluses in oil exporting countries, it would seem prudent not to increase our foreign debt in the future, in real terms or relative to our exports.

It is important to take into account the use made of the foreign credit that makes up a good part of the foreign debt. In this regard, we should point out the important public works program that has been in effect since 1976, especially in the area of electrical power (principally with hydroelectric and nuclear plants, whose construction costs are 3 to 5 times greater than those of thermal energy), as well as highway construction, transportation and ports, telecommunications, etc.

In the hydrocarbons sector, heavy public and private investment enabled us during the 1976-80 period to augment petroleum production by 24 percent, expand oil exploration activities in order to increase our proven oil reserves (which had been at the same level for 20 years), drill the highest number of wells since 1962, triple our proven gas reserves, and build major

gas pipelines such as the Southern and Central West lines and their auxiliary works.

Military Build-up

A strong boost was also given to equipping both public and private enterprises (in 1980 capital goods imports set a new record). At this point we can also mention the military build-up, which the public has been able to appreciate through the heroic action of our Armed Forces.

None of that would have been possible without access to external financial sources, achieved thanks to the development of our economy under the program launched on 2 April 1976.

Confidence and Exchange Policy

As for the exchange rate, confidence is indispensable for success. I refer to any kind of confidence, in terms of political stability as well as the orientation of economic policy and its continuity over time. Without that confidence, official announcements would be meaningless, as would the myriad circulars and forms of the Central Bank.

For this purpose it is essential that exchange controls be eliminated as soon as possible, in order to achieve a free market (that is, with greater freedom for the flow of capital) and a single exchange rate. This implies not only no adoption of official differential exchange rates or splitting the market for commercial and financial transactions, but also no parallel markets, whether through quotations on foreign markets or through securities or bonds expressed in foreign currencies (as in the case of Bonex), or simply through the black market, which remains untouched by official regulations.

No More Self-deceit

Otherwise, we would return to the system of self-deceit, to the flight of capital, to the underbilling and overbilling of exports and imports, to the operation of illegal economic and financial circuits where businessmen who do participate are able to oust from the market those who do not (unfair competition). This is the path to widespread corruption, in both the public and private sectors, and to a growing parallel economy, beyond any kind of legal regulation, whose magnitude finally forces governments to set up various whitewashing mechanisms. The repeated use of such methods in the past has created dangerous precedents.

Controls, which regenerate and become linked to other controls, are not only powerless to prevent this process, but their very existence actually causes all these spurious practices.

This situation is beginning to emerge once more, and the vicious practices that have been resumed will grow inexorably. The restoration of confidence and freedom, on the contrary, will immediately do away with this entire web of corruption, simply because there will be no economic incentive for its existence.

Differential exchange rates (overt or covert, as in the case of export duties) entail a distortion of the distribution of income, to the detriment of one sector (as it was for agriculture before 1976), or the unjust practice of selling products at one exchange rate and having to pay debts at another, higher rate (as in the case of the splitting of the exchange market into commercial and financial sectors).

Methodology

As for the methodology of the exchange policy, a detailed examination would exceed the limits of this questionnaire. Suffice it to say here that a system whereby the exchange rate is set officially, as well as one in which the market determines the rate, both can be utilized in keeping with the principles of freedom and competition that we propound. The selection of one or the other, in their different variations, will depend on what is advisable according to the circumstances of the moment, in terms of both political and economic stability and confidence, and inflationary trends and rates.

No Post-War Mistakes

In this post-war period of 1982, it is very important to avoid the mistakes of the post-war period of 1945. The experience of this country and others at that time proves that a closed economy leads to the poor allocation of resources, and consequently insufficient production, without incentives for progress and modernization, and high costs for consumers in terms of both price and quality.

Along those lines, that economic plan is linked to the establishment of all kinds of controls, which may be somewhat effective in the short run but have been proven to result ultimately in supply problems and black market conditions. This situation is very harmful to productive activities and to the consumer, through the shortage and consequent high prices of inputs for production and consumer goods.

The contrary results, full supplies and a higher standard of living, were already evident during the implementation of the 1976-80 economic program. Moreover, during the second half of that 5-year period, there was a real growth in wages and full employment (with an unemployment rate of about 2 percent).

As for the workers, the stimulus to modernization and the reequipping of the industrial productive system opens undreamed of horizons for them by creating more, higher paying jobs (those which require a certain specialization or technical know-how). This changes the shape of the wage pyramid, shortening the base made up of lower paying jobs (non-specialized work) while expanding the middle sector by increasing the number of higher paying jobs available. A modern, high-technology economy thus offers a greater opportunity to earn a higher income than an antiquated, obsolete and weak economic structure.

If we truly desire to be a strong and progressive country in this world, where isolation is no longer possible because of the enormous interdependence among all factors, we cannot think in terms of a closed and autarkic economy like the program that was attempted during the post-war period of 1945.

Opening Economy

The trend toward a more open economy through competition encourages efficiency, investment and the absorption of modern technology. Like foreign trade, it represents a two-way street. On the one hand, it would propel us into the world economic context with access to foreign markets for our products, both commodities and manufactured goods, thus incorporating the benefits of economies of scale. On the other hand, it would permit the importation of all those raw materials, inputs and capital goods that are necessary for our economy to progress and build a strong and modern productive sector.

In other words, we should export more so that we may import more. This has been the road to growth followed by all the great industrialized nations of the world. In this regard, bear in mind that the composition of our imports reflects how closely our economic activities, particularly industrial activities, are linked to the ability to import. For the 1976-80 5-year period, imports were more than 50 percent raw materials and intermediate products, more than 20 percent capital goods, about 10 percent fuel and lubricants, and only about 10 percent consumer goods.

Prevent Limitations by External Sector

The external sector should at all costs be prevented from being a limiting factor in our development, as it has been so often in the past with the well-known cyclical crises in our balance of payments. If the growth of our imports is not accompanied or preceded by an increase in our exports and adequate conditions to stimulate the flow of capital toward our country, the resultant bottleneck will present the well-known limitation on imports and thus prevent any balance. Consequently, the productive sectors, especially the industrial sector, will fall behind, unable to obtain abroad the raw materials, inputs, machinery and equipment they require for their growth. Alternatively, they will be forced to acquire such goods at higher prices, which will raise their costs and make it difficult for them to export their products (for agricultural production the importation of agrochemical inputs is vital).

A policy of opening up the economy, without pretending to be unlimited, already showed during the 1976-80 period, although with all the imperfections that marked that period of transformation and adjustment, that our exports could grow by 170 percent and our imports by 165 percent. These percentages are the highest for a 5-year period in Argentina since 1915 (except for imports during the 1946-50 period, attributable to the low level of imports during the war).

The growth rate of our exports during the 1976-79 period was, moreover, one of the highest in the world; it was more than double the average for medium-income developing countries.

It was that economy, I repeat, with all the imperfections characteristic of the change process, that allowed Argentina to continue a trade policy guided by national interests rather than international pressures from whatever origin (as in the case of the decision not to participate in the grain embargo imposed on Russia by the United States in 1980). It also enabled us to carry out the great public works projects to which I referred earlier, thus strengthening our seriously deteriorated economic and social infrastructure, and to reequip public and private enterprises (the result of which is not yet generally visible because of the delay in putting the new equipment on line). Finally, it made possible the military build-up that has become evident today.

Regardless of my opinion of the timing of the corresponding political decision, in this regard it would be worthwhile to ask whether the attempt to recover our Malvinas would have been possible under the economic circumstances that faced us in March 1976. On the other hand, it could be claimed that it was the confidence inspired by the development of the economy after the implementation of the program of 2 April 1976 that permitted access to the external financing which made possible the above-mentioned projects and equipment purchases.

8926

CSO: 3010/1936

CHRISTENING AND LAUNCHING OF MISSILE CORVETTE A.R.A. ESPORA

Buenos Aires ACTIVIDAD NAVIERA in Spanish No 158, 1982 pp 5-7

[Text] On the morning of 23 January, a ceremony took place at the Rio Santiago Shipyard, a subsidiary of the State Shipyards and Naval Factories (AFNE), to christen and launch the missile corvette A.R.A. "Espora", a warship of the Meko-140 class being constructed for the Argentine Navy.

The ceremony, which was presided over by Adm Jorge Isaac Anaya, commander in chief of the navy, was attended by Lt Gen Leopoldo Fortunato Galtieri, the nation's chief executive and commander in chief of the army; national, provincial and municipal authorities; members of the diplomatic corps; high-ranking officers, field officers and officers of the armed forces; top officials of the Thyssen Rheinstahl Technik GmbH firm and the Blohm-Voss A. G. Shipyard; and representatives of banking and business and the maritime and river sectors.

In the course of the event, Vice Adm Carlos Torlaschi (Ret), president of the AFNE, made a speech, and after that Capt Domingo Genise, chief chaplain of the navy, blessed the vessel with the assistance of the priest of the Neustra Senora de la Merced [Our Lady of Merch] Church of Ensenada, and Mrs Lucia Noemi Gentilli de Galtieri broke the traditional bottle of champagne on the bow .

The Meko-140 Series

The missile corvette A.R.A. "Espora" is the first in a series of six vessels of the Meko-140 class whose construction was begun on 1 October 1980.

This unit is being constructed under license of the Blohm-Voss Shipyard of the FRG, with the help of the most modern technology. Its completion is the start of the most ambitious naval construction program that the Rio Santiago Shipyard has undertaken to date.

The vessels of the series are being built for multiple missions, with movable modules of standardized dimensions and connections that make it possible to provide different combinations of armament and equipment. That methodology has been incorporated into our naval industry by virtue of a contract signed with the Blohm-Voss A. G. Shipyard of Hamburg, FRG, which has granted the

necessary license and also supplied some components, since the rest of them are produced in the country.

The Meko class corvettes are characterized by the capability to transport combat helicopters on deck for antisubmarine defense. Propulsion for the vessel is provided by two diesel engines, whose characteristics give it a wide range of maneuverability. Armament consists of two twin-mounted 40/70 Breda machine guns, one Otto Melara 76/62 cannon, MM 38 Exocet missile system, two triple torpedo-launching tubes, Dagale system for launching decoys, and one helicopter.

This unit, whose construction includes the use of modules, has the following characteristics:

Displacement of a full load	1,700 tons
Full length	91.20 meters
Length at the water line	86.40 meters
Beam at the water line	11 meters
Draft with maximum load	3.13 meters
Speed	27 knots
Propulsion	2 diesel engines

Speech of Vice Adm Carlos Torlaschi (Ret)

"With this program of constructions, the Rio Santiago Shipyard conforms to the basic purpose of its establishment. Until a short time ago, we engaged in naval construction only sporadically, and for that reason, the available infrastructure had a low rate of utilization.

"The construction of the missile destroyer "Santisima Trinidad" enabled our personnel to get the best training for modern naval shipbuilding, and that training, in which private subcontractors also participated, has allowed us to undertake without any difficulties this new program still to be set up. A series of ships provides the unique possibility of reducing costs and time, and of enticing private industry to produce everything that is feasible and convenient.

"On 1 October 1980, we started construction of the series of six corvettes of the Meko-140 class. Today we are launching the first unit, we have the second unit in the process of prefabrication, and on 4 January we started cutting the steel for the third hull. We are closely adhering to the established schedule.

"We started at the keel-laying ceremony that 'we were beginning their construction with great confidence and assurance regarding their success, and had

no doubts that our personnel was going to work enthusiastically to fulfill the stated plan.' At this stage of the task, we confirm what we said then.

"The ongoing program, ordered by the navy in connection with the plan to renovate units, has been worked out jointly with the Blohm-Voss Shipyard of the FRG.

"The corvette ["]Espora["] will be the first of the Meko-140 class to be put into service in the world. It was designed by Blohm-Voss in accordance with the operational requirements of the Argentine Navy.

"These ships have the original system of container modules for the installation of weapons and electronic equipment. This system, already tested out on the Meko-360 class destroyers, constitutes a significant advance in the process of construction.

"Concurrently with the building and readying of the ship in the shipyard, the modules are being prepared in the factory for replacement on board later on, in the final stage of the outfitting. These fully-inspected modules are ready to meet the overall test.

"In addition to the advantages that this represents for the construction in terms of time saved and greater reliability, the use of container modules makes it possible to modify the offensive configuration and to make repairs by replacing the containers during the useful lifespan of the unit, thus ensuring its effective availability for action.

"The Meko corvette series under construction is the most important program undertaken at Rio Santiago. Moreover, the ancillary private industry is being afforded a significant opportunity to participate in it.

"During the past few years, the navy has conducted a thorough survey of the capabilities of the Argentine industry with a view to having a progressive replacement of important materials, components and equipment with identical or similar ones produced in the country.

"The series of ships makes this operation possible and provides the opportunity to get a good response from the industry at reasonable costs. The results that we perceive can be considered as very good, and contracts have already been signed for requirements related to the series of ships.

"The technological contributions of this process of Argentinization have been limited to the pertinent licenses granted by the European builders to the national manufacturers.

"Industrialists and subcontractors must comply in all instances with the standards of quality control established for these ships, which conform to those in effect in the NATO.

"As to the operational characteristics of these units, we believe that the designers have managed to translate the requirements set down by the navy into

a unit of great offensive capability, operational flexibility and readiness for action at a limited cost.

"Our extensive coastline should be permanently protected to ensure our sovereignty. The timely addition of these modern units will provide the naval forces with elements of inestimable value.

"We believe also that given its operational and logistical support characteristics, these ships will be sought after by other countries to equip their naval fleets.

"The Rio Santiago Shipyard takes pride in undertaking this construction, assuming the inescapable responsibility of achieving the expected results. Aware of the importance and pleased to be able to work in this series of ships, our personnel shows every day its capability and determination to build with its own hands the best unit for the navy.

"Gentlemen, in a few instances we will launch the corvette A.R.A. Espora. This the fourth ship of the Argentine Navy bearing the name of Cmdr Tomas Espora. The previous ones were a 220 ton brig commissioned in 1864, a 520 ton torpedo-boat destroyer commissioned in 1890, and a Fletcher class destroyer commissioned in 1961.

"Espora was the name of an Argentine sailor born in Buenos Aires in 1800. While still very young, this officer took part in the liberating naval engagements of Chile, Peru and Ecuador, and participated in the famous privateering cruise of the Atlantic, Indian and Pacific oceans aboard the frigate La Argentina.

"Under the orders of Adm Guillermo Brown in the war against the empire of Brazil, he took part in the assault on Colonia and the battle of Quilmes, displaying courage and audacity.

"He held the post of general commander [?] of the navy and died at the age of 34 years. Standing in front of his mortal remains, the great Admiral Brown said, 'I consider the sword of this brave officer one of the foremost of America.'

"Upon contacting the waters of the River Plate, where the guns of the ships commanded by Espora were so often heard, this ship will enter into its natural environment to serve the national defense.

"The future crewmen will have the great example of Espora to guide them in the handling, safe sailing and victorious steering of this unit, which honors a great countryman whose life was marked by heroism, adventure and service to the republic.

"Mrs Lucia Noemi Gentilli de Galtieri, we are honored by your presence and in showing our appreciation for your participation in this traditional christening and launching ceremony, we wish to assure you that your name will be linked to the life of this new corvette from now on.

"We ask that your prayers be added to those of all the men of the Rio Santiago Shipyard who will finish the task in order that the A.R.A. "Espora" will bring much glory to our country with the help of Our Lady Stella Maris."

8414

CSO: 8348/1482

BIGNONE SUPPORTS YACYRETA CONSTRUCTION

Buenos Aires CONVICCION in Spanish 1 Jul 82 p 17

[Passages enclosed in slantlines printed in boldface]

[Text] Presidential Designate /Reynaldo Bignone/ told his future minister of social action that /"Argentina should build Yacyreta."/

This statement was made during the meeting when /Bignone/ offered the post to the former governor of Corrientes, /Adolfo Navajas Artaza./

/Navajas/ himself reported that /"Gen Bignone shares the belief that the Yacyreta hydroelectric project should serve to promote the development of its entire region of influence."/

/Adolfo Navajas Artaza,/ at present /adviser to the bilateral Yacyreta project,/ met with the future president last Sunday.

The statement made by Gen /Bignone,/ the Army's presidential designate, several days before taking office startled those who have been following the controversial issue of whether or not to build the /Yacyreta/ hydroelectric dam. The project is in doubt because of its /complexity,/ and because of the /economic and political situation in the country./

It should be recalled that the /Yacyreta/ issue caused not a few /headaches/ for the previous administration, particularly Minister of Economics /Roberto Alemann/ and his counterpart in Public Works, /Sergio Martini./ They /used every means available to oppose/ the project and bring about not only its cancellation, but the /paralyzation/ of work, /objecting to its high cost./

Furthermore, the former head of the Yacyreta Argentine-Paraguayan Binational Entity, Gen /Lino Domingo Montiel Forzano,/ during his term in office had /severe confrontations/ that even involved then President /Leopoldo Galtieri,/ with the above-mentioned ministers, since he was an /avid supporter/ of the project. He defended it because of its importance not only in terms of energy, /but also because it would be a center of socio-economic development in a region that needs it desperately./

Suffice it to note that when Minister /Alemann/ won out, Gen /Montiel Forzano/ had to resign; that is why there was so much surprise when Gen /Bignone/ came out in favor of the construction of the /Yacyreta/ dam. It is to be hoped, then, that /Bignone's/ assertion will become a reality and that Argentina will finally have the Yacyreta hydroelectric dam.

BRIEFS

GRAIN EXPORTS--/The National Grain Board/ reported that during the first 6 months of this year a total of /12,073,257 tons/ of grain was shipped, the /second highest figure in the records of grain shipments for that period./ This level of efficiency was achieved with the cooperation of four private facilities, three at the ports of San Martin and San Lorenzo, and one at the port of Rosario. They shipped /2 million tons/ during that period. Considering the well-known difficulties the country has faced, adds the National Grain Board, this figure for the first quarter is even more important and shows how an adverse situation can be overcome /when the state and the private sector join efforts for the good of the country./ It should also be explained, concludes the report, that /while shipments of direct cargo from docks have declined,/ the entire shipping system is prepared to break the records already set, exporting a total of 4 million tons of grain per month. Exports of /cereals, oleaginous seeds and byproducts/ from Puerto Quequen /were not very high in June,/ but anyway /figures for the first quarter of the year indicate that the levels of the same periods in past years were exceeded./ [Passages enclosed in slantlines printed in boldface] [Text] [Buenos Aires CONVICCION in Spanish 1 Jul 82 p 17] 8926

TRADE BALANCE--/The Argentine balance of trade yielded a positive balance of \$1.4 billion after the first 5 months of 1982,/ reported the local weekly EL ECONOMISTA in yesterday's edition. The analysis points out that "although /exports/ during the first 5 months of 1982 /have maintained a level similar to that of the same period of last year, a sharp drop in imports permitted a surplus of \$1.4 billion."/ It adds that "the fall in imports was due on the one hand to the /strong contraction in domestic demand,/ and on the other hand to /higher prices of foreign goods after exchange adjustments."/ It states that the period was marked by /"an accentuated retraction in levels of consumption, resulting from a persistent deterioration in the purchasing power of wages."/ It indicates that /"the agriculture sector showed a positive trend in prices,/ as in the case of /grains/ and /oleaginous seeds,/ which were favored additionally by a predicted significant drop in the Brazilian harvest." "The /cattle markets,/ on the other hand," the report goes on, "beginning in June experienced a /major increase in prices/ that to a certain extent allowed them to regain their relative losses." Finally, the analysis states that it would be premature to make a prognosis of the development of the Argentine economy, and that it will depend on /the level of reactivation compatible with an adequate adjustment of prices."/ [Passages enclosed in slantlines printed in boldface] [Text] [Buenos Aires CONVICCION in Spanish 3 Jul 82 p 16] 8926

COUNTRY SECTION

BAHAMAS

BRIEFS

FNM SENATORS ANNOUNCED--J. Henry Bostwick, the Free National Movement's [FNM] former leader in the house, has been appointed to lead the senate, it was announced today. The other senate appointments announced today by the FNM are nurse Merlin Hanna, George Thompson and Warren Levarity. The Progressive Liberal Party has still to name its choice of senators. [Text] [FL231620 Nassau THE TRIBUNE in English 19 Jul 82 p 1 FL]

CSO: 3025/1130

LIBERAL PARTY ORGANIZER VOICES SUPPORT FOR FIGUEIREDO POLICY

Rio de Janeiro O GLOBO in Portuguese 26 Jun 82 p 3

[Text] Brasilia--Senator Lomanto Junior (Social Democratic Party (PDS)--Bahia), the main founding organizer of the Liberal Party, said yesterday that the new party organization "would be supportive of President Figueiredo in his commitment to the political liberalization process. He emphasized, however, that the party will not support any retreats on the road to the re-democratization of the country.

Despite stressing that the new party will not have any official interest in the result of the November election "because it is not planting kale but oak," Lomanto Junior expressed the hope of having the Brazilian Democratic Movement Party (PMDB) candidate to the governorship of Bahia, Prof Roberto Santos, in the party after the elections.

The senator did not confirm the possibility of publicly supporting the opposition candidate to the governorship of his state but he revealed that he will not participate in the campaign of the PDS candidate, Cleriston de Andrade.

The senator did not confirm the possibility of publicly supporting the opposition candidate to the governorship of his state but he revealed that he will not participate in the campaign of the PDS candidate, Cleriston de Andrade.

Lomanto Junior confirmed the participation of Senators Luis Cavalcanti (PDS--Alagoas), Martins Filho (PDS--Rio Grande do Norte) and Alexandre Costa (PDS--Maranhao) in the organizational effort to found the Liberal Party, which he defined as "a renewal party committed to the future of the country."

According to its main organizer, ideologically, the Liberal Party will not belong to the center, the right or the left, but will struggle for democratic improvement and the establishment of a participatory democracy.

"Our party," said Lomanto Junior, "rejects the concepts of the center, left or right because they are all false. It will not be populist but eminently popular and directed toward the youth, women and farm and city workers."

Lomanto Junior declared that the manifesto, program and statutes of the new party are in the final phase of preparation. They will include advocacy of

municipalism and a fair tax reform. In short, according to the senator, the Liberal Party will embody the principles of the Church's social doctrine and will fight against the institution of party loyalty.

The decision to found a new party was explained by Lomanto Junior as stemming from the difficulties of the group to get along within the PDS.

Finally, the Bahia senator predicted that the new party will be one of the largest in the country. In August, when it requests provisional registration, the Liberal Party will already be the second in terms of a bloc in the Senate, where it will have four senators. Lomanto Junio said he has not made any contact with former Sao Paulo Mayor Olavo Setubal but expressed confidence that he would join the party.

Fears

Deputy Rogerio Rego, former president of the Milton Campos Foundation, of the PDS, and candidate of the party for the vice governorship of Bahia, said in Salvador yesterday that he "feared" that the initiative of Senator Lomanto Junior and four other senators to form the Liberal Party was only an expedient to enable the senators to escape the linkage of votes and to support opposition candidates without incurring the risks of the party loyalty law.

"In truth," said Rogerio Rego, "I fear that in that organization of the Liberal Party there is less liberal inspiration than the need to escape the provisions of current legislation which links them to undesired candidates or prevents them from voting for opposition candidates. In truth, it seems to be a way of escaping from the obligation of voting for a linked slate.

However, Deputy Rogerio Rego, PDS candidate for vice governor on the Cleriston Andrade slate, considers the initiative to form a party to be natural, "especially for those who may not feel at ease in the party they belonged to.

"I even hope the senators will be successful in the undertaking," said Rogerio Rego, "because the Liberal Party, even by the name itself, will tend to consolidate the liberal spirit of some of them, who have not yet accustomed themselves to living democratically, respecting the decisions of the majority when they are contrary to their objectives, their interests or their conceits."

According to the vice gubernatorial candidate for the PDS, "with regard to Bahia, release of the leaders who may possibly seek that new party will not have very significant consequences because in truth the strongest leaders of the PDS are united around the party candidate, Cleriston Andrade, and are obedient to the decision of the party majority expressed in the last convention."

Atila Says It Is Premature To Evaluate the New Party

Brasilia--The press secretary for Planalto Palace, Carlos Atila, said yesterday that he considers it premature to make any assessment of the movement for

the establishment of the Liberal Party by a group of PDS senators dissatisfied with the succession process in their states.

Carlos Atila said that up to the moment, the Planalto Palace knows about the senators' initiative only from the press although he admits that the chief of the Civilian Household may have been informed by some member of the group. He said, however, that only after the November elections will it be possible to make a better judgment about the viability of the operation of the Liberal Party.

Specialist Considers It Difficult To Get Politicians To Join This Year

Brasilia--If the Liberal Party is organized before the November elections, it will not be feasible for any of the politicians who are elected to executive or legislative positions to join it. That is the opinion of a specialist in election law, who also said that it is difficult for a party that has begun to organize now to obtain provisional registration in August, as was announced by Senator Lomanto Junior.

According to election law, an elected politician can only leave his party if it is to found another party, but the only one who can benefit from that possibility left open by the law is one who has signed the party manifesto. The manifesto, with a minimum of 101 signatures is the first of a series of requirements that the party has to fulfill before entering with the request for provisional registration in the Superior Electoral Court.

If the Liberal Party (PL) wants its provisional registration by August, it must announce its manifestoes within the next few days. Since only the signers are considered the founders, no elected politician can leave his party after November alleging that he is leaving to found the Liberal Party.

A PDS leader, consulted about the report of the creation of the PL, mainly with members of the government party, said that a party reorganization is expected "but after the elections." This source admitted that the party does not yet know the dimension of that movement within the PDS to create a new party.

The PDS believes that it will be the party least drained by the party reorganization that will occur after November, according to that leader, who admitted, however, that the movement to create the PL is the direct consequence of the processes for the selection of candidates in the states, which had divided the party very much.

8711

CSO: 3001/181

POST-CONVENTION POLL PROJECTS QUERCIA-MONTORO VICTORY

Rio de Janeiro JORNAL DO BRASIL in Portuguese 29 Jun 82 p 5

[Text] Sao Paulo--In the first joint interview as candidates of the Brazilian Democratic Movement Party (PMDB) for the governorship and vice governorship of Sao Paulo, Senators Franco Montoro and Orestes Quercia revealed the results of the Brazilian Institute of Public Opinion and Statistics (IBOPE) poll taken immediately after the party convention on 20 June, which show the following results: in the capital, the PMDB slate was favored by 36.6 percent of the voters polled, compared with 23.6 percent for the second preference, Reynaldo de Barros, candidate for governor, and Guilherme Afif Domingos, candidate for vice governor, for the PDS. Before the convention, the percentages for the candidates individually were 33.4 percent for Montoro and 23 percent for Reynaldo de Barros. Speaking by telephone in Rio yesterday, IBOPE director, Carlos Augusto Montenegro confirmed the authenticity of the poll and revealed that it had been ordered by the senators.

In the city of Bauru, in the interior, the Quercia-Montoro slate received 44.3 percent against 26 percent for Reynaldo-Afif. Individually, the figures were 39 percent for Montoro and 27.7 for Reynaldo. This information was conveyed by telephone yesterday to the home of Senator Montoro by an IBOPE employee. The total results, according to Montoro's press aide, journalist Quartim de Moraes, will be known this week.

None of the candidates was able to reveal who ordered the poll. Franco Montoro suggested that perhaps it was the same one already announced by Renaldo de Barros but not revealed. He admitted that since the poll favored him, the IBOPE took it upon itself to inform him. "That has already happened other times," he observed.

The results revealed yesterday in Montoro's election committee are the following: in the capital, the Quercia-Montoro slate, 36.6 percent; Reinaldo-Afif, 23.6 percent; Janio Quadros-Gastone Righi, 15.8 percent; Luis Inacio da Silva "Lula"-Helio Bicudo, 11.2 percent; do not know, 7.6 percent; and none of the candidates, 9.8 percent. Individually: Montoro got 33.4 percent; Reynaldo, 23.2 percent; Janio, 16 percent; Lula, 10.4 percent; do not know, 9 percent; none of the candidates, 7 percent.

In Bauru: Quercia-Montoro, 44.3 percent; Reynaldo-Afif, 26 percent; Janio-Righi, 12 percent; Lula-Bicudo, 8 percent. Individually: Montoro, 39 percent; Reinaldo, 27.7 percent, Janio 12 percent, Lula, 8 percent.

Today, Senators Orestes Quercia and Franco Montoro will meet with the national president of the party, Ulysses Guimaraes, to determine the course of the campaign in Sao Paulo. For the time being, only the coming 3 July assembly, when both will be in the city of Franca, is scheduled. Yesterday, the senators announced the merger of both staffs and the beginning of organization of the joint campaign committee.

Montoro could not tell what the costs of the campaign would be. He affirmed that all contributions will be publicly revealed. Severo Gomes, one of the candidates for the senate, said that the PMDB in Sao Paulo has the support of the small and medium national businessmen, who will make contributions "shortly." He cited industrial, agriculture, commercial and "even financial" sectors committed to "the prospect of democratic aspiration" represented by his party.

Orestes Quercia asserted that the results of the party convention "were excellent" and that the "pressure of the rank-and-file" strengthened the party. He revealed that before the convention, he had been willing to run for vice governor in the event he had been defeated in the election caucus of 20 June, although he had stated the contrary.

8711

CSO: 3001/181

ANDREAZZA DISCOUNTS POSSIBILITY OF CHANGES IN ECONOMIC POLICY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jun 82 p 28

[Text] Rio--Interior Minister Mario Andreazza discounted the possibility of changes in economic policy during the next 6 months despite the criticism of a group of businessmen from the National Industry Confederation, especially industrialist Einar Kok, which considered it "untrustworthy." Although he observed that as minister of the interior he is not in a position to analyze the decisions of the government in that sector, in talks with Ministers Delfim Netto and Ernani Galveas, he sensed in both "a diligence to seek the best solutions for the country, and that the procedures will not change in the next 6 months, having in mind the major objective of combatting inflation."

That statement was made during the interview Andreazza granted after his lecture at the War College (ESG), during which he revealed that his ministry had invested more than 2 trillion cruzeiros in the last 3 years, and that the northeast was granted 48 percent of those funds, a little more than 1 trillion cruzeiros.

Emphasizing the interest that is being shown in the northeast by the Ministry of the Interior, he asserted that during his administration that region will gain 23 billion cubic meters of water, "almost as much as it succeeded in accumulating in all of its history." Continuing to comment on the northeast, he added:

"In the period 1979-1981, an extensive job of integrated development was carried out in that region, especially benefiting the semiarid region and the small rural producers through Polonordeste, Project Sertanejo, the big public irrigation projects in charge of the National Drought-Control Projects Department (DNOCS) and the San Francisco Valley Development Company (CODEVASF), the Hydraulic Resources Program and aid to the population affected by the droughts."

He referred to the implementation of 43 integrated rural development projects (PDRI) and four colonization projects in the Polonordeste field of activity, involving an area of 809,000 square kilometers to directly benefit about 210,000 rural producers. Within the scope of those projects, he noted the construction of 116 kilometers of main highways and 882 kilometers of secondary roads; 128 kilometers of transmission lines and 483 kilometers of power distribution lines; 333 weirs and dams; 271 schools and 408 classrooms; nine

hospitals; 96 child care centers; 102 health stations; 10 health care centers; and 82 simplified water supply systems.

Referring to assistance to the 150,000 victims of the disasters in Porto Murtinho in the lower Amazon, he said that the ministry put 20,000 tents and 200 million cruzeiros for food at their disposal. In Parana, a project has already been approved for the construction of 500 homes to compensate those who were left homeless as a result of the recent storm in the state.

Priority

The minister also stressed the "basic priorities" established by President Figueiredo, directed toward two objectives, summarized as follows: "to pursue the better distribution of development and greater political participation of society.

"Once achieved, they will bestow greater balance and equity to our process of development."

8711

CSO: 3001/181

LAUNCHING OF SONDA III SIGNALS ENTRY INTO SPACE COMMUNITY

Rio de Janeiro MANCHETE in Portuguese 17 Jul 82 pp 13-15

[Article by Alexandre Garcia: "Brazil Conquers Space"]

[Text] Barreira do Inferno, 30 June, 1545 hours--Loudspeakers violate the silence which is broken only by the whisper of the breeze born on the green sea. A voice with a northeastern accent makes the regressive countdown. Then there is an explosion of fire, noise and smoke. Fast as a lightening bolt the rocket bores into the blue sky and leaves in it trails of white smoke behind the red flame which climbs rapidly until it disappears from sight, losing itself in the depths of space. The bodies of those present--nearly 300 persons--tremble with the vibrations of the noise of launching and their hearts beat with the pride of having participated in the long work which makes Brazil enter at last into the restricted club of nations which explore outer space and are going to make money doing it.

The Brazilian rocket rose 508 kilometers, 50 times the altitude of the Boeing which took us to Natal. It reached that height with only 24 minutes of burn by the propellant of the first stage and 15 seconds of operation of the second stage motor, which carried 79.5 kilos of useful cargo (the Soviet Sputnik carried 83 kilograms). Everything was done by Brazilians, including the propellant whose technology--a carefully guarded secret by the nations which reached space--was entirely developed in Brazil. The Sonda III--that is the name of the Brazilian vehicle--is another firm step by Brazil in the direction of the conquest of the technology of launching vehicles carrying loads and instruments into space. At the end of next year, Sonda IV, which is already being built, will have its first launching, carrying a useful load of 300 to 500 kilos to an altitude of 700 to 1,000 kilometers. Not too much time will pass before we will be ready to launch our own satellites with a 40-ton rocket already on the drawing boards. For that purpose, Brazil is preparing to build an immense launching field closer to the equator in Alcantara, Maranhao, with a view to equatorial and polar orbits.

The launching of Sonda III on a sunny day last week at the Barreira do Inferno Rocket Launching Field near Natal, was the last step for a series of launchings between 4 and 18 September. Those launchings will be part of a project of the Geophysical Laboratory of the U.S. Air Force and research by the FRG Max Planck Institute on terrestrial magnetism. The use of the Brazilian rocket in both those projects is the recognition by the two most advanced countries in the world that Brazil is able to participate in space projects. In coming months Barreira do Inferno will participate in the French "Ariane" project, which will launch

satellites from the launching field of Koukou, Guinea. The launching will be tracked by the radar network of Barreira, relaying information to the French computers.

In the "Bime" project of the North Americans, two Nike Black-Brand V-C rockets will be launched from Barreira do Inferno carrying a mixture of ammonium nitrate and fuel oil, which will be exploded in space 370 kilometers up, creating a bubble 100 kilometers wide. Ten minutes after each explosion, a Brazilian Sonda III rocket will go up, which will penetrate the bubble to take readings in the F layer of the inosphere. Two Nikes and two Sondas will be launched.

In the next period, another two Sonda III's will go up, one after sunset and the other hours later, to discharge loads of barium in the ionosphere which will give the visual illusion of flying saucers. Both projects are aimed at studying earth magnetism and its unequal distribution during the rotation of the earth.

The Sonda III launched last week was built entirely by the Aerospace Technology Center [CTA] of the Ministry of Air in Sao Jose dos Campos. Its powerful engines with 10,200 kg/f of thrust, were tested in a tunnel in a quarry. The Sonda III was developed by the Space Activities Institute of the CTA as of 1969 and it made its first flight in 1973. The recently launched rocket has the height of five men and it weighs 1,596 kilos. There were 860 kilos of solid fuel in the first stage and 230 kilos in the second stage. After 12 minutes of flight, its nose cone fell in the ocean 499 kilometers from the launching spot. It was equipped with a remote-controlled self-destruct mechanism to be used in case of an accident, and it was launched with an inclination of 82 degrees. It was brought from Sao Jose dos Campon on a Brazilian Air Force [FAB] Hercules.

On the sunny afternoon of the launching, the silence and calm of Barreira do Inferno (Name given because of a red cliff which marks the end of the launching base and the beginning of the sea) concealed the meticulous work being done inside the blockhouses and control stations filled with computers.

Red lights scattered throughout the 1,800 hectares of the camp warned about the ban on turning on radios and automobile motors--electrical frequencies emitted by them could interfere with the launching. Among those attending the launching were Minister Chief of Staff of the Armed Forces Gen Alacry Frederico Werner--also president of the Brazilian Space Activities Commission (COBAE)--and the dynamic director of the CTA, Major-Brigadier Lauro Ney Menezes. On one of the areas, however, there was a group of 10 sunburned men and women, who awaited the launching with more curiosity than the veterans. They came from Alcantara to learn what a space field is about. In their municipality, the repository of an old architectural patrimony, they were told that the idea of installing the Brazilian space launching base would destroy their historical wealth.

After the launching I went to ask the representatitives of the town of Alcantara what they had discovered. They were calm but angry at the lies they had been told. "We stood 300 meters from the rocket and nothing happened to us. Those who spoke of destruction were lying. Now we are going to go back and tell our friends that the launching base is only going to bring progress to us." The Alcantara

launching field will have 50,000 hectares. All the historical patrimony will be preserved. Most of the people who live on the land to be used for the launching center, however, do not have ownership titles to the land and will be given properly regulated land and documentation plus a house and infrastructure.

In the September launchings, there will be monitoring stations at Natal (University of Rio Grande do Norte, Air Base and Barreira do Inferno), Fernando de Noronha, Pura, Ceara-Mirim, Jundiai, Sao Pedro, Macau and two mobile stations aboard FAB aircraft. The entire meteorological, tracking, telemetry, computer and communications systems will be in full service. However, the September activity will not slow down the work on the following step: Sonda IV.

The new Brazilian rocket is taking the CTA to new technological conquests. For 5 years the Space Activities Institute developed a process for welding the inertial platform (the "brain box" of the rocket) and it has even already built the equipment for mixing and loading the propellant and the useful load instruments. A guidance and piloting system by remote control is being perfected. This makes Brazil the only country in Latin America to have its own propellant technology, among others. The next step will be the satellite launching rocket, which should make its first flight in 1989.

The space program is not limited only to technological gains. Brazil is going to obtain great economic benefits from its space activities. We are already in the space commercialization phase. The nations which today have space technology will go on to sell services in outer space. And there are few of those nations. The few who are now in the "club" are privileged. Brazil has just joined the space community and proof of that is its participation in North America, German and French projects.

What about the military use of that technology and those devices? The Brazilian program has exclusively civilian purposes but it is obvious that the technology achieved in the space program--guidance and piloting of rockets, for example--can be used and applied in missiles for military use, as is the case of the Piranha. The greatest problem is that the nation has not yet agreed on the permanent need to have a security which is compatible with its size. Brazil is the 8th economy in the world: it has an area of 8.5 million square kilometers--16,000 kilometers of borders and 7,400 kilometers of coastline--120 million inhabitants, and it is even preparing to occupy its place in outer space. However, its overall defense expenditures in relative figures only exceed those of Bolivia and Paraguay in Latin America. At this time there is an apparent concern with the security of the country because of the Malvinas War. However, it will fade with time. Our preoccupation with defense has been only cyclical, as happened during World War II, the Korean War and the 6-Day War.

8908

CSO: 3001/189

AIR DEFENSE TO DEPEND MORE ON NATIONALLY BUILT AIRCRAFT

Rio de Janeiro MANCHETE in Portuguese 10 Jul 82 pp 56-69

[Article by Ateneia Feijo: "Brazilian Aircraft for National Defense"]

[Text] The Tiger F-5E's and the Mirages, supersonic fighter aircraft purchased some years ago by the FAB [Brazilian Air Force], are still the brightest stars in the Brazilian sky. This is particularly so for the cadets in Pirassununga in the interior of Sao Paulo, who are taking primary flight training on the Uirapuru T-23 following the dream of high flying, that of being a fighter pilot. However, the power of national military aviation involves secrets which depend on the old tactic of establishing roots in the vast territory of Brazil. After all, ideas need a safe field from which to take off and keep the nose pointed toward the aerospace superiority of the country. In Brazil, in the office of Minister of Air Brigadier Delio Jardim de Matos, the direction traced by the strategic plans of the FAB is very clear: Mobilization for study and research, nationalization of technology and the training of men. In a more sweeping flight, the following is clearly seen: Brazil will buy less but will spend more on its technological independence--so necessary in times of peace, and essential in case of war.

Development of Brazilian Aeronautical Industry Has Already Placed it Among the Best in the World

Brazil is among the 21 countries of the world capable of planning and developing its own aircraft. In addition to the civilian success of the Xingu, sold to France and Belgium, the Bandeirante has been flying for some time in the skies of France, the United States, England and many other international air spaces. As far as military aircraft are concerned, the EMB-111 was purchased by the armed forces of Chile and Gabon; the Xavante by the forces of Togo and Paraguay. The AM-X fighter-bomber, which will be available on the world market as of 1986, should become an important item of export for Brazilian industry. The minister of air himself is striving to have national companies produce and sell on the foreign market, thus guaranteeing the production which the FAB can absorb.

Honoring the ITA [Technical Aeronautics Institute] the CTA [Aerospace Technology Center] and Brazilian Industry, the FAB is not Enthusiastic About Buying Weapons Abroad.

The amount of armament is secret. It is known only that the FAB has Sidewinder missiles of the AIM-9 (air-to-air) type, which equip its three squadrons of F-5E's. The Mirage squadron carries Matra missiles. National SBAT-70 and SBAT-32 rockets, in addition to bombs--of many types which range from napalm to general purpose bombs--are used by Brazilian combat aircraft. Actually the Ministry of Air itself says it is short in armament. In its budget-cutting measures, priority in its list of domestic purchases goes to fuel and supplies for its bases. However, to provide incentives to the national military industry, the Piranha was finally included in the 1983 budget of the FAB. After all, production of the infrared missile, planned by the CTA in Sao Jose dos Campos, will increase the firepower of our aircraft considerably. The Piranha missile is the first phase in the development of Brazilian missiles. As of then, Brazil will be in a position to create a project for the production of Exocet-type missiles. Despite the costs, they will strengthen the philosophy of producing the equipment for the Brazilian Armed Forces nationally.

A Fighter Pilot Flies Surrounded by the Greatest Safety Measures

The Santa Cruz and Anapolis Air Bases maintain their squadrons of supersonic fighters prepared for the conquest and maintenance of aerial superiority, as well as for interdiction and close air support. They guarantee the defense of national territory, maintaining themselves on a permanent alert for any immediate interception. The exact number of fighter pilots is kept a secret. They are special men and their training takes a minimum of 7 years. In addition to technical, operational and physical training--they are subjected to strict medical examinations--the pilots have to have intellectual discipline. In air combat, the one who thinks the most wins. In a fighter flight, the man-machine integration is complete. An F-5E reaches an average speed of 1.6 mach and the Mirage, 2.1 mach, which means 1.6 and 2.1 times the speed of sound. The two fly at an average altitude of 55,000 feet. To obtain an idea, a commercial jet reaches at the most 30,000 feet (nearly 10,000 meters). The Mirage could reach up to 75,000 feet (providing the pilots used astronaut-type clothing--which does not exist in Brazil). Because of its greater speed, the Mirage has the advantage of being able to intercept the enemy faster. The F-5E is more a tactical aircraft with greater maneuverability and a greater combat capability. However, the velocity and altitude attained by the two supersonic aircraft means attaining a degree of gravity which reaches levels the human body cannot withstand. To compensate for this imbalance, there is the G-suit, which squeezes the pilot at the waist and the thighs, preventing the blood from descending.

Today the Brazilian Air Force is made up of a contingent of 5,000 officers, 18,300 warrant officers and sergeants and 27,400 corporals, privates and stewards. There are more than 2,000 pilots. However, for them, the conquest of the Brazilian air space begins at the Air Force Academy in Pirassununga, interior of Sao Paulo, where after 4 years they receive the rank of officer candidate. At the academy, which corresponds to the university level, the cadats receive moral, scientific, military and specialized technical training. Their aerial instruction is begun on the T-23 or Uirapuru. In that nationally-built primary aircraft, they fly 50 hours. Only then are they ready for the T-25 Universal, on which they will complete 150 hours of flight time. In those aircraft they will learn to develop the qualities of a military pilot, controlling their aircraft in precision

acrobatic maneuvers, formation flying and instrument flights. They also train for future activities in military operations. That phase will be carried out at CATRE [expansion unknown] in Natal, Rio Grande do Norte--where they will now be officer-pilot candidates. That is when they proceed to fly in the Xavante. Those who were approved for continuing the fighter course, go to the Fortaleza Air Base. In that period the young pilots are finally trained as fighter pilots. There they receive training and doctrine for fighting. After a year they are ready to be distributed to the supersonic aircraft bases: Santa Cruz (Rio de Janeiro), Anapolis (Goiás), and Canoas (Rio Grande do Sul). There they receive only a course of adaptation for operating the F-5E and the Mirages. They are ready. Away from the Ministry of Air there are those who speak about the need to increase the efficiency of our armed forces. They now receive \$17 per year from each Brazilian. There are also those who inveigh against an arms race. And there are also those who make note of the fact that five successive military governments have not made significant war expenditures in the past 18 years. This was something that went unnoticed until the episode of the Malvinas. However, long before the conflict in the South Atlantic, Brigadier Delio Jardim de Matos had already recognized that Brazil needs a 10 times stronger air force. However, he always maintains this reservation: "It is a deceit to believe that we shall be stronger by buying more and being more dependent. We need a minimum of security to achieve a maximum of development. A developing, progressing and enriched Brazil will have more vigorous armed forces." The minister maintains a certain joking air when asked about a possible lesson from the Malvinas War. Will there be changes in philosophy? Has the conflict in the South Atlantic brought Brazil new conclusions in terms of strategy? In a light suit, seated on a couch in his office, he speaks calmly on the subject which has been exciting the people, at least until the beginning of the World Cup. And in view of the more circumspect analyses, it is worthwhile making an interjection: The mobilization by the fans for our soccer team is viewed with great support by the brigadier. He views it as an impassioned demonstration of the nationalist spirit of the Brazilian people. The interjection completed, the minister explains that each war has a specific TO (Theater of Operations). "In all wars: Vietnam, 6-Day War, Malvinas, all the theaters of operation were different. The conflict in the Malvinas had a characteristic situation. It is so many miles from the coast. It is much different to fight in Mato Grosso...The conflict in the islands did not teach us anything. To know that without air superiority nothing can be done is obvious."

Strategists Observe Controversy Between Venezuela and Guyana

"That war only confirmed that our philosophy of 'nationalization' is correct: To manufacture in order to be independent. The components we cannot manage to build, we shall continue to buy. However, we shall maintain diversified sources of supply to avoid a boycott. Within the designs of Brazil, our foreign policy is characterized by peaceful coexistence with our neighbors. Our attitude will always be one of defense, never of attack, of aggression. We do not have the problems Argentina had. And our islands are close to the coast, except for Trinidad. If we had a military base in the South Atlantic, there would be radars that would detect every movement by the British and they would view us as enemies."

It would be naive for someone to accept that because of its peaceful position Brazil would be unprepared for the unexpected hypothesis of a war or inattentive to foreign events which could come to affect national peace. At this time the antennas of the strategists of the Ministry of Air are turned toward the controversy between Venezuela and Guyana (over possession of Essequibo). The Brazilian Air Force has aircraft which serve all its missions, ranging from the defense and surveillance of our territory, support for the army and navy, to missions of mercy. The operational aspect is based on 17 air bases with possibilities of going into action at any moment. Brigadier Delio Jardim de Matos says that the aerial teams are located at those bases. "The bases function as hotels and the units are guests who can be deployed throughout the country. Our present concern is that of placing bases in the interior and putting an end to the Treaty of Tordesilhas...

For example, Roraima does not have a base but it has a runway. If there were to be any problem, it would be enough to send the units over there. On the other hand, if someone were to attack Brazil, the FAB has established the strategy of an immediate counterattack for its units. We would attack with everything we had. And we have up-to-date aircraft: 15 Mirages and 40 F-5's with suitable equipment. The great secret is the training and efficiency of its teams. We have maintenance support (greater than Argentina) which guarantees us a very great independence. We have methods that work for a strategy of deterrence."

While at the beginning of its history the FAB went to Italy to fight and brought back the doctrine of using aircraft in war, in the second phase it turned to Brazilian needs. There was the historic event of the CAN (National Air Mail) with the allocation of money for transport aircraft. It can be said that in that period the FAB was left somewhat unprotected. In the third phase, however, it turned to the development of research aimed at technological strengthening. The winds of change were already blowing, saying that wars would be won by scientists. The minister of air himself does not hesitate in recalling certain storms which rocked that philosophy. "We had internal problems in the maintenance of order and progress (the three armed branches were involved). Automatically, our training and doctrine to be employed were fitted to the demands of the times. In the Medici period, the FAB armed itself with better materials, buying the F-5's and other equipment for performing its diverse missions." Still referring to the difficult moments of the country, the minister speaks of the strictness of President Castelo Branco with respect to the armed forces. Because it was the first revolutionary government, there was the idea of showing that there was no protectionism with respect to the armed forces. "That created a climate which perhaps deprecated the figure of the military man. At the same time, the media showed the young people the pleasures of civilian life, while the military suffered a decline in their pay. But not even then did the armed forces have a personnel problem. They were always made up of the people, persons of humble origins or of those with a family tradition. With the new concept of power, which requires knowledge and much study, the armed forces are raising the level of the Brazilian people. The present FAB is an elite force where all improve themselves and there is a continuous turnover."

No One will Invade Brazilian Air Space with Impunity

For the more studious, the Brazilian Air Force is one of a kind within a world context. To begin with, it enfoldes all the air power existing in Brazil, military as well as civilian; the training of men, support to air space, airports and industry. In view of that union, a civilian airport is also a military airport. Those which are predominantly military are very rare. Of a secret nature there are only those of Santa Cruz (Rio de Janeiro), Anapolis (Goias) and Canoas (Rio Grande do Sul). Even the air traffic safety system operates in identical fashion. In CINDACTA (Combined Air Safety and Air Traffic Control Center), 90 percent of attention is given to the civilian sector and 10 percent to the military. In view of confirmations of that type, Brigadier Delio Jardim de Matos smiles when he says calmly that no one invades Brazilian air space with impunity. "The concentration of air power is the magic wand of our secret. The same infrastructure built for development can be used militarily. To have all that, maintaining two infrastructures, one for peace and another for war, would be a calamity in economic terms. The 53 fields built in the Amazon Region, for example, take care of the needs of the region, at the same time that they maintain national security. The construction of a new airport in Sao Paulo is within the same plan because Congonhas turned into an aircraft carrier surrounded on all sides by houses. And so on. We cannot forget that our aviation, through the ITA (Technical Aeronautics Institute) and the CTA (Aerospace Technology Center), has already produced highly skilled personnel for the FAB and Brazil. The ITA alone has trained more than 2,300 engineers at the graduate level and more than 300 at the postgraduate level. At this time, ideas and men have the most value for us. This is so much so that our military equipment, despite its small amount, has a great advantage: 68 percent of it is already nationally manufactured."

To verify the statements by the minister, it is enough to fly in a Bandeirante to Sao Jose dos Campos in Sao Paulo and land at EMBRAER [Brazilian Aeronautics Company]. It was the Ministry of Air which decided around the middle of 1965 to begin the project which resulted in the first metal-skinned turboprop manufactured in Brazil. A small 8-passenger bimotor was our Bandeirante. The result: In 1969 the ministry was working on the creation of EMBRAER. Without hesitation it ordered the first 80 new Bandeirantes for troop transports with space for 12 passengers. Next, Brazil produced a military jet under license from the Italian Aermacchi Company. It was the Xavante. Up to 1981, the FAB received a total of 175 Xavantes, planned, developed and made for advanced training, tactical support and ground attack. As for the Bandeirante, it went on to have several versions for military use: sea search and surveillance, cargo and para-troop transport, airport instrument calibration, aerial mapping and search and rescue. Moreover, in addition to aircraft built especially for military use, EMBRAER has provided the FAB with some aircraft from its civilian line. Among them is the pressurized Xingu for the transportation of government authorities, and 32 Seneca II bimotor aircraft. The latter are operating as courier aircraft, primarily in the Amazon Region. In August 1980, the first prototype Tucano (T-27) made its first flight. It is a modern turboprop military training airplane built in the record time of 2 years. It was needed for attending to the needs of the reequipment of the Air Force Academy (AFA). To keep its cadets aloft, the FAB ordered 118 Tucanos with an option for 50 more. They should be delivered by 1986.

However, the greatest expectations are on the AM-X, a very modern military combat and ground attack jet. Binational, its plans are being initiated and developed by EMBRAER and two Italian companies: Aeritalia and Aermacchi. For that reason there will be two assembly lines, one in Italy and one in Brazil, for a production initially scheduled at 300 units.

The AM-X Promotes the New Technological Advance of the Aviation Industry

Each of the three companies is responsible for nearly 30 percent of the undertaking during the course of all its phases. The development of the AM-X will cost Brazil around \$600 million. However, each airplane will be sold, on the first deliveries, at a minimum price of \$12 million. That is one-third of what a first quality fighter plane should cost at that time on the international market. However, the greatest profit is already being obtained: The new technological advance the AM-X Program is providing to the Brazilian aeronautics industry. EMBRAER was made responsible for planning the wings, part of the fuselage and part of the empennage. It is also responsible for the development and application of various hydraulic, electrical and electronic systems. The first prototype should fly in Italy in 1985 and ours in 1986. With 100 AM-X's, the FAB will be equipped with fighter-bombers capable of insuring the defense of our territory in the strategic theater of the South Atlantic.

In a secret room of EMBRAER, Jose Carlos de Sousa Reis, aeronautics engineer trained by the ITA, 49 years-of-age, married, with four children, manages the AM-X work program in the company. However, he also belongs to the Integrated Technical Group in Italy. Because it is a binational project, it has two management units, one in Sao Jose dos Campos (where there are Italians) and another in Turin (where there are Brazilians). Before a mockup and plans of the AM-X, the engineer explains that the projects are a result of the needs of the military forces. "The customer establishes the requirements for the aircraft. As of that time, the Integrated Technical Group (in this case Brazil and Italy) uses the companies to begin to assemble it."

In Brazil alone, 120 persons are working on the project. Meanwhile, that number is doubled in Italy; there are two companies. Why Italy? The explanation begins with the fact that the Xavante was planned by Aermacchi. Furthermore, the Italians and Brazilians have something to trade. They are on the same technical level. There is an effective balance in investment and technology. In addition, there is a natural affinity, they are Latins. And why is the AM-X subsonic? Aeronautics engineer Jose Carlos de Souza answers in a very simple way: "It was wanted that way." He points out that it is meant for long-range flight. He explains that the Mirage, because it is supersonic, has a lesser range. The engineer adds that the AM-X has a low-flying characteristic. It flies at 100 meters against electronic countermeasures. "It is being made so that it will become invisible to enemy radar, although in war everything is relative. If there were to be an AWAC in the area, the AM-X would not operate. The AWAC is a radar aircraft for flying far from the theater of operations and high above it, seeing everything that moves. However, only the North Americans and the Soviets have AWAC aircraft (in addition to Saudi Arabia, which bought them from the United States). Even so, it must never be imagined that a war in Latin America will be a bow and arrow war. I hope it never happens..."

The AM-X has a turbofan jet engine. Among laymen there is an erroneous concept of judging an aircraft on the basis of its engine. The first reaction is to ask whether it is supersonic. If it is not...it is old. However, both subsonic and supersonic aircraft can be very modern or obsolete. The AM-X is at the same level as the best existing abroad. It was conceived for combat. Among its equipment are computers which make all the calculations of what should be done and when it should be done. It is planned to carry two missiles: the Sidewinder and probably the Brazilian missile, the Piranha. In addition, it will have the capability of carrying 3 tons of bombs. Modesty aside, EMBRAER is also turning toward the civilian and international market. With 13 models now being built in its production lines, it takes care of the domestic market and makes large exports. The company had record sales of 21,846,000,000 cruzeiros in 1981 (\$235 million), delivering a total of 261 aircraft, of which 58 went abroad. It won the position of the sixth largest manufacturer of aircraft in the Western World in the area of general aviation. It is the first company in that area outside the United States. Added to the technological and economic gains is the social aspect: The labor market. Considering that more than 300 Brazilian companies work for EMBRAER--partially or completely, as suppliers of parts, components, parts of aircraft and even complete aircraft--and adding all the other industries of the sector, in addition to the research and development agencies of the Ministry of Air, the following can be seen: In Brazil today more than 15,000 engineers, technicians and workers of the most diverse skills depend directly on the activities linked to the aeronautics industry. Another aspect which deserves to be recorded is that of all fuel consumed in the country, of each 100 liters only 2 go for aviation. This is the equivalent of 2 percent of national use. As for the feasibility of using alcohol or another substance, the CTA is studying it. In the case of alcohol, it is impractical. Aviation has a peculiar aspect which involves the problem of weight. An alcohol-powered aircraft would need much more fuel to travel the same distance as another fueled by gasoline or kerosene. This would mean an increase in weight which would lessen cargo or passenger capacity. The conclusion: It is not economical.

However, while on the one side the industry has been answering the wants of Minister Delio Jardim de Matos, on the other, the integration of the air traffic control and air defense systems--apparently different--also reached the levels desired. The CINDACTA has been operating in Brazil since 1973. By means of that center, Brazilian airspace is automatically controlled and monitored by radars and telecommunications equipment in a polygonal area whose apexes reach the municipalities of Cachimbo (Para), Porto Nacional (Goias), Bom Jesus de Lapa and Caravelas (Bahia), Curitiba (Parana) and Cuiaba (Mato Grosso). That area totals 1,500,000 square kilometers (three times the area of France) of coverage. That polygonal area primarily covers the most sensitive points of the country such as the Federal District, Sao Paulo and Rio de Janeiro, not only because of their large volume of traffic but because of the location of industries, nuclear powerplant, and other items and agencies of national security. It is CINDACTA which operates the very secret COPM (Military Operations Center) where regulations specifically forbid the taking of photographs. All military aircraft (which require military regulation) are monitored there and Brazilian airspace is permanently watched from there. Any unknown target detected by the ACC (Area Surveillance Center) is sent instantly to the COPM where the computer has the greatest possibilities of dialog for identifying it.

From then on the unknown target is followed in all its positions by means of a visual presentation on a picture tube, which receives the information provided by radar. If the intentions of the intruding aircraft are those of espionage, piracy or attack, it will seek to fly low, going around mountains and using electronic countermeasures to interfere with the radar. However, with the complex of several types of radar constantly turning at several strategic points, it is going to appear synthetically as a symbol. In 8 seconds maximum, the COPM computer will describe the intruder, giving information on its bearing, speed, altitude and distance.

For a better understanding, the chief of the CINDACTA Operations Division, Major Bellon, tries to summarize what would happen from that point on. "Actions begin to be taken, actions which become more rapid depending on the speed, direction, altitude or distance of the unknown aircraft. The issuance of the standby order for interception is accomplished immediately at the fighter aircraft base (always on alert) in the best position for it. At that time, the information has already been sent to CODA (Aerial Defense Operations Center) which has a general view of everything that is happening by means of its war room. The chief of CODA is the one who decides on the interception, defining it in terms of the existing situation: peace or war. Depending on the level of the threat, area, sensitive points and so forth, the state of general alert develops. The key on a telephone is pressed and the interceptors are quickly put into action. In less than 5 minutes they take off with the fighter pilots receiving all instructions from the Air Defense Center." On the ground, at the COPM room, the operation continues: Radar will provide a presentation of the course of the intruder and the interceptors. The fighter aircraft will position themselves at a distance behind the target and will report on the nature of the intruding aircraft, confirming its speed, prefix and direction. If the pilot of the aircraft continues as an intruder and without speaking, one of the interceptors will place himself in a firing position. The other will position himself at the left of the intercepted aircraft to show himself to its pilot. There are some international phrases in English for asking "Who are you?" What are you doing here?" If there are problems in understanding the language, there are alternative visual signals. If the aircraft heeds orders, everything is well, the interceptors will accompany him peacefully to the local landing field. If no order is heeded, the fighters will fire a warning shot (determined by the air defense authority or, depending on the case, even by the president of the republic). All that, obviously, providing there were no initial attitude of hostility by the intruder. If that were to take place, the fighter pilot himself is the authority. It is enough for him to sense any attempted attack and he will attack, shooting down the enemy. Other recourses, such as the NUCOMDABRA (Brazilian Aerospace Defense Command Center), exist. Major Bellon explains: "That center enfold: the Air Force, Navy and Army and insures a complete defense coordinated by a single body. If the FAB does not manage to provide a counterattack, the antiaircraft defense forces go into action: ground to air missiles and artillery. Consisting of a single body and coordinated by a single body, the NUCOMDABRA will never allow Brazil to fall into the error of shooting down one of its own or an allied aircraft. In war, if defenses are not well coordinated, anything may happen. In the Middle East there have already been cases of aircraft being shot down by their own artillery."

JAPAN DENIES RUMORED DISSATISFACTION, GUARANTEES INVESTMENT

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jun 82 p 34

[Text] Japanese Prime Minister Zenko Suzuki's visit to Brazil 2 weeks ago had a very positive meaning for our bilateral relations, resulting in such immediate measures as the signing of a scientific-technological accord, continuation of Japanese programs in this country and expansion and concession of new investments for the major projects.

The statement came yesterday from Jun Kawashima, counselor of the Japanese Embassy in Brasilia, in an interview with ESTADO and JORNAL DA TARDE. He denied rumors that the Japanese mission was dissatisfied with the application of its funds in Brazil.

According to Counselor Kawashima, there was actually a great misunderstanding caused by faulty interpretation in the interview granted by the delegation spokesman in Brasilia. At the time of the interview, the delegation's interpreter, diplomat Seinosuke Omae (who was the first Japanese to attend the University of Coimbra and is fluent in Portuguese) was not present, since he was performing other duties at the embassy, and the spokesman's statements were misinterpreted by the newsmen.

"Our prime minister came away very pleased," said the counselor, "because, after a frank and direct exchange of views with President Figueiredo, although no accords were signed, there were strong verbal commitments between chiefs of state, and economic relations between Brazil and Japan will not enter a period of expansion."

According to the Japanese spokesman, in two conversations with President Figueiredo and in meetings with Foreign Minister Saraiva Guerreiro, Prime Minister Suzuki took the occasion to say that he would personally see to the implementation of such joint projects as the Carajas and scrublands programs, and would seek to expand this cooperation.

Regarding the fact that no accords were signed, the Japanese spokesman noted that in a high-level discussion like the one between Prime Minister Suzuki and President Figueiredo, the resulting exchange of notes would be enough to seal all the commitments.

Recalling these conversations, the counselor said Suzuki told President Figueiredo that not only would all the programs initiated during the Japanese visit of former President Geisel be continued (the steel project, for example), but, based on mutual confidence, his government would also make an effort to broaden other lines of cooperation with the Brazilian Government.

The counselor added that, as a practical result of the visit, next month the two governments will make a joint evaluation of the scrublands reclamation project and by the end of the month the two commissions will deliver the results of this evaluation to the authorities of the two countries and the basis for implementation of the project will be established.

Regarding the science and technology accord, after noting that the Japanese Government resisted the idea for a period, the embassy spokesman said that Prime Minister Suzuki made a commitment to President Figueiredo to begin a series of bilateral negotiations so the accord might be signed as quickly as possible.

6362

CSO: 3001/174

ESTABLISHMENT OF INDUSTRIAL DISTRICTS DISCUSSED WITH PARAGUAY

Natural Preference

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Jun 82 p 34

[Excerpt] Paraguayan Ambassador Adolpho Samaniego said yesterday that the Paraguayan Government's readiness to give preference to Brazilian industry in establishing two industrial districts in his country is a natural continuation of the bilateral relationship initiated with construction of the Itaipu [hydroelectric] plant. It was also reported yesterday that the Ministry of Mines and Energy will wait until September to sign the contract with Czechoslovakia for construction of a thermoelectric plant in Santa Catarina (at a cost of \$430 million), because Czechoslovakia has not agreed to buy 18 million tons of iron ore over an 8-year period. According to Foreign Minister Saraiva Guerreiro, Brazil is seeking to reduce its trade deficit with Gabon and to promote an exchange of experiences in science and technology.

The Paraguayan ambassador's statement came after his meeting with Camilo Penna, minister of industry and trade, in which he explained that Brazil has an efficient and proven industrial infrastructure, on an international level, and "in light of the special relationship between the two countries, it is the country to which the Paraguayan Government will naturally turn." Samaniego added that Paraguay plans to initiate installation of the two industrial districts (in Port Stroessner and Vila Reys) next year, when it will have a cheap and plentiful supply of electric power generated by Itaipu, and it will "practically delegate" responsibility for this project to Brazil.

Plant

The report that Brazil has postponed signing the accord with Czechoslovakia came from technicians at the Ministry of Mines and Energy who took part in the meetings between Minister Cesar Cals and Jaroslav Jakubec, Czech vice minister of foreign relations. According to the technicians, Jakubec proposed a longer period for delivery of the iron (worth \$540 million), explaining that the Czech steel industry needs only 1 million tons a year and still has import contracts with other countries. Officially, however, the information from the Ministry of Mines and Energy is that the contract was not signed "for lack of time for the necessary negotiations."

Joint Associations

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 June 82 p 27

[Text] On 30 June in Asuncion, Minister of Industry and Trade Camilo Penna will meet with Minister Delfim Ucarte Centurion, his Paraguayan counterpart, to consider the possibilities of forming associations of Brazilian and Paraguayan firms to participate in installing two industrial districts in Paraguay.

According to Roberto Saboia, the minister's international advisor, the Brazilian and Paraguayan firms could work together to establish electric-electronic, paper and cellulose, fertilizer and steel industries, powered by electricity, which will be in abundant supply after next year with the inauguration of the Itaipu hydroelectric plant.

Penna will also join his Paraguayan colleague in signing five accords: for technical assistance, industrial ownership, commercial registration, industrial promotion and carburetant alcohol technology.

Accompanying Minister Penna to Paraguay will be Jose Israel Vargas, chief of the Secretariat of Industrial Technology, Getulio Lamartine, secretary of the Industrial Development Council, Geraldo Prado Nogueira, president of the National Institute of Commercial Registry, and other officials.

6362

CSO: 3001/174

IRAQI MINISTER SAYS PREFERENTIAL TRADE TREATMENT TO BE GIVEN

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Jun 82 p 28

[Text] Tahir Tawfiq, Iraqi minister of industry and mineral resources, yesterday informed Industry and Trade Minister Camilo Penna and several representatives of Brazil's industrial sector that he considers Brazil a "friendly country" and that trade relations between the two countries will be preferential in nature, conditions remaining equal with respect to other countries.

Tawfiq also reported that the mission which preceded him to Brazil had informed him that Brazil's capital goods industry is in a position to handle the various requirements of the development plans to be implemented by his country throughout the 1980's.

Tawfiq assured the businessmen that, at short range, two national sectors could participate intensively in the development efforts promoted by Iraq: the automotive industry and civil construction. In the next 6 years, an automobile industry will be established in Iraq and a city for 300,000 inhabitants will be built near it.

At medium and long range, Tawfiq told Penna and the businessmen that the Iraqi Government will invest large sums in the steel and railway sectors, oil prospecting equipment plants and construction of gas pipelines, for which he considers Brazil's participation essential, because he feels that Brazil's basic industry has reached an advanced stage of development.

In a demonstration that his country would like to give preferential treatment to Brazil, Tawfiq promised the Brazilian businessmen that they will be the first to see the development plans drafted by the Iraqi Government.

The businessmen and Minister Penna were quick to arrange with Minister Tawfiq for the next trip by a Brazilian trade mission to Baghdad to learn the economic planning goals of the Iraqi Government. The mission will be led by Camilo Penna himself, and will travel to Baghdad at the end of July.

Enthusiasm

The businessman most enthusiastic about minister Tawfiq's promises was Omar Bittar, representative of the Brazilian Association for Development of Basic Industries (ABDIB).

Newton Chiaparini, president of the National Association of Motor Vehicle Manufacturers (ANFAVEA), was also enthusiastic about the possibilities for the Brazilian automotive industry.

In a conversation with Planning Minister Delfim Netto, the Iraqi minister allowed that in the next 3 years Iraq could import at least 20,000 automobiles produced by Volks Brasileria, since full technical assistance is guaranteed. Delfim also sought the Iraqi Government's interest in the proposal drafted by Construtora Mendes Junior for construction of a new major rail line in Iraq, for which international bids are now being solicited.

At Planalto Palace, the Iraqi minister conversed for 30 minutes with President Figueiredo, and at the Ministry of Mines and Energy he met with Arnaldo Barbalho, secretary general of the ministry, to whom he reported that his country is interested in importing iron ore and acquiring the technology for research and prospecting of other mineral ores.

6362

CSO: 3001/174

BUSINESSMAN IDENTIFIES POSSIBLE AREAS OF TRADE WITH CUBA

Sao Paulo FOLHA DE SAO PAULO in Portuguese 22 Jun 82 p 20

[Text] Rio--The Cuban Government has informally offered the Brazilian Petroleum Corporation (PETROBRAS), through Brazilian businessmen who visited here, offshore areas to search and explore for oil under risk contracts. It also offered to submit to Brazilian private companies a lengthy list of products that it wants to import, whole industrial projects it plans to purchase and others to develop in joint ventures with Brazilians.

Businessman Luiz Fernando Victor, who was in Havana with the Brazilian businessmen's group, estimates that taking into account only the products for which there would be immediate orders (he has received lists of orders), Brazil could export about \$200 million worth. However, the industrial projects which Cuba wants to purchase under a "turn-key" arrangement (factories ready for operation) and the joint ventures are difficult to assess, but they would naturally represent a source of long-term business.

According to Victor, taking advantage of the Cuban market would open the way for Brazil in the whole Caribbean area. To attract foreign capital and technology, Havana has adopted legislation favorable to foreign investment, in some aspects more liberal than that of Brazil and other capitalist countries. Thus, the only obstacle that remains is the restrictions imposed by the Brazilian Government on trade with Cuba.

From the private point of view, he said, expansion of Brazilian exports to the Caribbean, especially of manufactured goods, requires the establishment of technical assistance and supply centers in the region. Locating those centers in Cuba and not in another country in the area is justified by two basic reasons: manpower that is highly specialized (minimum education in Cuba is 6 years and is being raised to 9 years), relatively cheap and disciplined and social and political stability.

In addition, with the new foreign capital legislation (a summary of the Cuban decree was published in FOLHA on 20 June 1982 in an article by Luiz Fernando Victor), there are clear advantages in terms of taxation, unlimited transfer of profits and operational flexibility. The Brazilian business community is not unaware of the ideological restrictions to a greater exchange with Cuba but it notes that the pragmatic line of Brazilian foreign policy will eventually prevail.

He observed that once that restriction is over, the exporters will only need authorization to install the technical assistance centers in Cuba and, naturally, normal lines of financing for exports. He pointed out that Argentina has just opened up a line of financing in the amount of \$100 million for sales to the Cubans (with interest rates of 7 percent per annum and special grace and amortization conditions). And he warns that U.S. companies themselves, which already sell between \$300 and \$400 million per year to Cuba through Canada and other countries, will end up installing their branches there "occupying markets that could be ours," because there is manifest interest in Cuba in intensifying its economic relations in a South-South direction.

Cuban Interest

Cuban foreign trade, explains Victor, is handled basically by two organizations: the Ministry of Foreign Trade, responsible for maintaining the routine flow of exports and imports; and the Economic Cooperation Committee (CECE), responsible for investments and reinvestments in the economy. The ministry authorizes the purchase of products and productive agents and it was by evaluating a list presented to Brazilian companies that the estimate of \$200 million of possible immediate sales was arrived at.

The CECE presented the businessmen lists of three types of projects defined by Cuba to be carried out either in partnership with them or not. The following projects have been defined for joint ventures: steel wool and detergent factory; medical equipment and instrument factory; electrode factory (turn-key); aluminum casting factory; nuts, screws and washers factory; factory for the production of nickel oxide and sulfate by compensation; factory for the production of hydrosulfuric acid; factory for the production of sheet glass; bottle factory; toilet tissue factory; and risk contract with PETROBRAS for offshore oil exploration.

For a second category of investments--cooperative production and joint marketing in third countries--the CECE agrees to negotiate projects for the installation in Cuba of Sugar and alcohol mills, electric home appliance factory, electric meter factory, paint factory, dry-battery factories, irrigation equipment factory, cable and electric and telephone equipment factory, and a computer system applicable to sugar and alcohol plants.

Finally, the Cubans want to purchase complete (turn-key) projects to expand the production capacity of demineralized water to supply process steam boilers; 5-kilometer-long ore-carrying conveyor belt system, an automated system for loading ore in railway cars, a system for treating the effluent of fertilizer factories, an ammonia factory (accepts partnership), and a system for the transportation of minerals a distance of 78 kilometers by sea.

The value of those projects cannot be measured at first sight, said Luiz Fernando Victor, but the listing by itself shows the dimension of the potential of trade with Cuba.

8711

CSO: 3001/181

BRIEFS

SONDA III LAUNCHING--Natal--Developing a project designed by the Institute of Space Activities of the Aeronautics Technical Center in Sao Jose dos Campos, from 23 June to 2 July the Barreira Rocket Launching Center will conduct another rocket launching operation, named "Humaita." The operation will reach its peak at 1500 hours on 30 May, when a Sonda III, carrying an elongated payload and using S-20 and S-30 propulsion blocks, will be launched. The launching, with special instrumentation, is for the purpose of in-flight testing of the payload, to be used in future scientific experiments, including project "Bime" in September 1982 in collaboration with the U.S. Air Force and other international organizations. [Text] [Brasilia CORREIO BRAZILIENSE in Portuguese 17 Jun 82 p 4] 6362

ARMY SEEKS HIGHER BUDGET--The Army wants a 100-percent readjustment of its present budget of 113,529 million cruzeiros, according to the draft budget for next year that will be submitted to SEPLAN [Planning Secretariat of the Presidency of the Republic]. SEPLAN set a 60-percent ceiling on the budget readjustment, but the Army has decided to submit a complementary proposal of 40 percent, taking into account its operating expenses and investment in equipment considered essential for operationality, since about 70 percent of its budget normally goes to cover personnel costs. Authorities in military finance observed yesterday that the readjustment limit set by SEPLAN is below the inflation rate predicted for this year, so the funds requested by the army are relatively small in terms of its actual needs. On the other hand, the army proposal as drafted allocates a small portion for essential equipment to maintain operationality, without considering replacement of equipment, which requires more ample funds. "It was drafted before the Malvinas affair," the authorities note. The shortage of funds is offset by more efficient use of human and material resources. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Jun 82 p 6] 6362

CHINESE INTEREST IN BANDEIRANTES--Brazil may export Bandeirante planes, sell aeronautical technology or even participate in the manufacture of its components in China. At least that was the intention shown by the representatives of the China National Aero-Technology Import and Export Corporation (CATIC), a state company responsible for civil and military aviation in that country, when they visited the Brazilian Aviation Company (EMBRAER) in Sao Jose dos

Campos and the Regional Air Transport Corporation (TAM). The Chinese delegation, comprised of one planning engineer and three company directors, arrived in Rio de Janeiro on 16 June and then went to Sao Jose dos Campos for 1 week where they had contacts with technicians and directors of EMBRAER. Yesterday, the delegation went to Sao Paulo to familiarize itself with facilities and services rendered by TAM, a company that operates in the area of regional air transportation. According to Lino Mattos, assistant communications aide for EMBRAER, the purpose of this visit relates to China's interest in establishing regional aviation on a wide scale. To do that, it would need small airline passenger planes because, although its aviation industry is developed and of a high technological level, it does not produce planes of that type. Another important fact is the backwardness and inadequacy of the equipment of Chinese regional aviation, which uses planes with a capacity of 125 passengers for short-distance flights. In the opinion of TAM director-general Jorge Pinheiro, that is uneconomical. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Jun 82 p 35] 8711

CSO: 3001/181

INCREASED GOLD PRODUCTION: 10 TONS EXPECTED IN 1982

Santiago EL MERCURIO in Spanish 21 Jun 82 p B 2

[Text] Chile will begin to produce annually over 10,000 kg of gold late in 1982. This growth, which is almost 20 percent above current production, will be obtained because of the experimental development of El Indio mine, one of the principal deposits of the country, and because the Mediana y Pequena Mines has since concentrated its attention on the extraction of this pure metal.

The information was given to this newspaper by the director of the Mining Society of Chile, Alfredo Araya Munoz, on the completion of 441 years since Pedro de Valdivia ordered the mining of this precious metal in Marga Marga.

Present Production

To date Chile obtains approximately 7,000 kg of pure gold throughout the country, especially in the northern zone. Of this total, 3,000 kg is from the Mediana y Pequena Mine. The rest is the result of working of by products from El Indio Mine.

On this matter it was indicated that the role of El Indio is fundamental to national gold production. More than half the gold obtained comes from this deposit whose wealth rivals other great ones worldwide and is located in the interior of Region IV 180 kilometers from Coquimbo.

In the Mediana y Pequena Mine the decline in the price of copper has led to greater interest in the extraction of gold.

Fifty years ago production of the gold wash places and all that phenomena called "the gold chimera" marked a date in the history of Chilean mining. Today when gold is quoted at \$307 an ounce on the world market, these wash places are justified only by the work and the small earnings that they can bring to the "pirquineros" of the northern zone.

They prevail even in Marga Marga and in the Region IV in the Andacollo y Vicuna area, but according to expert opinion "absolutely lack importance."

Prices

On Friday, 18 June, the price of gold reached a rate of \$307 an ounce. This rate is somewhat lower than the average price throughout June, which was equivalent to \$354.78 an ounce.

The average gold price in 1980 was \$612.80 an ounce.

ENAMI Production

For its part, ENAMI [National Mining Enterprise] gave our preliminaries about gold production in recent years, as a by-product of the electrorefining of copper at Ventanas foundry.

In 1975, some 970 kg of gold was produced, a sum which began to grow ostensibly. In 1978 1,543 kg was produced; in 1980 the figure was 2,124; and in 1981, 3,146.

9989

CSO: 3010/1803

PRIVATE COMPANY MANUFACTURES FRAGMENTATION BOMBS

Santiago EL MERCURIO in Spanish 21 Jun 82 p C 1

[Text] In our country, 50-kg fragmentation bombs are being built for use in aviation; they will open in space after being launched, releasing in that instant other small explosive devices that strike a radius of approximately 2,000 square meters.

This project makes up part of the military production of a private industry that began work of this type in 1978 working jointly in aspects of defense. Among other items, the aforementioned enterprise has made such products as pressure firing pins, N.A., hand grenades, Bangalore torpedo demolition charges, armored cars, fragmentation bombs and others.

Daniel Prieto Vial, international business director of CARDOEN, said that starting in 1980 the manually launched and manipulated P-J1 bomb has been in production. It weighs 3 kg and its dimensions are 50 cm long and 85 mm in diameter. It comes loaded with 800 grams of high explosive and is encased in #110 steel fragments which are projected on a radius of action covering 35 meters.

He indicated that the device can be launched from a combat or civilian plane. "It can be of great use in the antiguerrilla struggle," he revealed.

The P-J1 began to be manufactured 2 years ago and "has been rather successful, apart from the fact that its price is reasonable--\$110 each." He admitted that some parts have been sold to other countries, but declined to mention which. "In any case," Prieto Vial added, "it can be said that they are Latin American nations, but not bordering ones."

Likewise, the fragmentation cluster bomb weighing 100 pounds (50 kilograms), which can be carried by smaller planes has also been made in Chile. It opens several seconds after being launched, releasing from a container 16 P-J1 bombs which fall on an area of approximately 2 square kilometers according to the height of launching, angle of strike and speed of the aircraft.

The director of Cardeon Industries said that: "The idea is to disperse the damage in order to especially strike ground forces. It is also useful for attacks against armored units and vehicles."

He said the factory is now manufacturing a bomb that can release 63 devices smaller than the P-J1 extending the affected area to 4,000 square meters. Moreover, under study is another project so that with the same system it might strike a field of 6,000 square meters.

"Starting this year the designs and tests have been made. We expect to perfect it by the end of 1982 and to have the respective prototype to begin mass production in 1983," he pointed out.

He later said that part of the armory of bombs is made in a plant "that is strategically located in the cordillera, that cannot be determined for security reasons." As for the tests, they are taking place in the military precinct of Peldehue.

9989

CSO: 3010/1803

M-19 BULLETIN ADDRESSED TO NEW ADMINISTRATION

Bogota EL TIEMPO in Spanish 24 Jun 82 p 1-B

[Text] M-19 expressed the hope yesterday that the new administration "will find the road to true democracy, peace and progress for all" and called upon Colombians to plan a movement towards democracy and consolidation of peace "because the time is ripe for it."

In the bulletin from the membership, dated in June 1982, M-19 says that "never before has a unanimous welcome to these objectives been seen with such clarity that today they become vital to the existence of our republic." He added that this great movement of national salvation should obligate the new administration to fulfill its electoral promises and to set the state back on a straight path.

M-19 says it is willing to begin a dialogue with the new president, Belisario Betancur, and states that "we are alert to any step, any positive measure that can be interpreted as a sincere desire by the new president to foster peace and conciliation within the Colombian family."

As a recommendation, it holds that "Doctor Belisario Betancur should start to comprehend the true sentiment in the guerrilla struggle in Colombia. He ought to understand--so as to avoid the failures of Mr Turbay--that you have to talk to an armed movement. You have to respect it. That you cannot attempt to humiliate it. And even less, to subdue it. It is urgent that the new administration enter into an agreement in the broad light of day with the people, an historical commitment to the people of Colombia guaranteeing a just and democratic future."

M-19 tells of the taking of the embassy, the theft of weapons, the pressures throughout the struggle and they show that their effort was a decisive element in bringing about a state of siege.

Lastly, it interprets the result of the elections last 30 May as a vote by the people against contrivances and corruption and avers that "the people went to the polls to stave off the disaster towards the brink of which the country was headed during the last 4 years."

9908

CSO: 3010/1881

BRIEFS

FARC SHOTS SUSPECTED INFORMANTS--Bucaramanga, 20 Jun--The fourth FARC front "gunned down" three peasants from Cristalina ranch in Cimitarra village as suspected informants for the army. The latest victims of the self-styled Revolutionary Armed Forces of Colombia (FARC) were identified as Miguel Gonzalez, Jairo Pimienta and Nicomedes Lancheros. The three farmhands were apprehended by FARC just as they were going to the San Juan river. The ranch owner, Ricardo Manjarres Lopez, told EL TIEMPO that they were farmhands dedicated to their job. The FARC stronghold, composed of five men and a woman, accused the victims of robbing humble peasants in the region and of being army "stool pigeons." [Text] [By Jairo Saravia Hernandez] [Bogota EL TIEMPO in Spanish 21 Jun 82 p 3-A] 9908

FARC KILLS FIVE IN SANTANDER--Bucaramanga, 24 Jun--According to the authorities, the fourth FARC front got five new victims in the south of this province. In the township of El Penon, a municipality of Bolivar, the bodies of five people were found, among them that of a practicing dentist. The victims were Lucas Pinzon Herreno, an odontologist by profession, and farm workers Roque Celio Jerez Mosquera, Roque Vargas and Angel Maria Ariza. A fifth body has not been identified. The guerrilla stronghold where the crimes took place is commanded by Adalberto Galindo, alias "Robledo" and Jesus Gonzalez Rodriguez. Clandestine bulletins which invited peasants to support actions taken by the fourth front of the self-styled Revolutionary Armed Forces of Colombia, FARC, were also found with the bodies. [Text] [By Jairo Saravia Hernandez] [Bogota EL TIEMPO in Spanish 25 Jun 82 p 3-A] 9908

M-19 KIDNAPPERS KILLED--Ramiro Arango Londono, a coffee grower and cattle raiser from Caldas, who was held captive by a commando from M-19, was freed last night immediately following a confrontation between rebels and the police which resulted in the death of three members of that group and a wounded policeman. Arango Londono was kidnapped last Saturday while at his ranch, "La Miranda," and in the jurisdiction of Caldas, the capital city. His captors demanded a ransom of 11 million pesos. The confrontation, which ended with the freeing of the coffee grower, took place in Filadelfia to the north of Caldas when the thieves were about to get the large amount of money from his family. The operation mounted by F-2 units brought about the cattle raiser's freedom. Yesterday afternoon and after several contacts with family members, the M-19 members agreed to a meeting in a place about a half an hour from Neira for the purpose of trading their captive for the money.

An F-2 patrol which was watching all their movements followed the car in which the family's contact was riding and at the site chosen, it proceeded to capture the rebels who were riding in a black taxi cab. At the moment of exchange, agents from F-2 made their appearance which precipitated the confrontation. Three rebels died and a police officer was wounded. The other two rebels were captured by the authorities and taken to F-2 headquarters in Manizales. Inside the vehicle were bulletins related to the movement. Several hoods with M-19 emblems were confiscated. The wounded agent was identified as the go-between, Jose Herrera Alvarez, assigned to the police force in Caldas. The investigators were trying up until midnight to identify the rebels who were slain. [Text] [Bogota EL TIEMPO in Spanish 18 Jun 82 p 14-A] 9908

CSO: 3010/1881

VALDIVIA ON FALKLANDS CRISIS, U.S. POLICY

U.S. 'Scorns' Latins

Havana VERDE OLIVO in Spanish 3 Jun 82 pp 16-17

[Commentary by Elpidio Valdivia: "The North Is Brutal and Scorns Us"]

[Text] One of the most significant consequences of the current conflict between Great Britain and Argentina over the Malvinas Islands is the appreciable erosion of the Reagan administration's policy towards Latin America and the Caribbean.

For 14 months the Republican administration in the White House concentrated on creating an alliance with the region's most repressive regimes to erect a sort of barricade to what they term (using the same language as in the 1940's) the advance of communist penetration.

The Reagan administration views the heroic struggle of the Salvadoran people against their country's extreme poverty, the rebellion of the Guatemalans against the centuries-old semifeudal structures and the mounting resistance of the Chilean people to Pinochet's gang of criminals as "communist penetration."

This explains why no sooner had the current Republican team been installed in the White House last year, than it announced that the struggle against what they call "international terrorism" would be a priority of its policy towards Latin America and the Caribbean, and the rest of the world, in fact.

As part of this ultrarightist strategy, several capitalist news agencies early this year mentioned the possibility of military intervention in El Salvador, which the Americans were encouraging behind the scenes and which would be carried out by an inter-American force like the one that invaded the Dominican Republic in 1965.

In a public appearance a few months ago, President Reagan hinted at the possibility of applying the agreements of the TIAR [Inter-American Reciprocal Assistance Treaty] to intervene in the domestic affairs of this small Central American country under the pretext of heading off extracontinental meddling in the crisis.

These maneuvers, which were widely reported on in the American press, also included the stationing of Latin American paramilitary groups in Nicaragua to sabotage the country's economy and, allegedly, "to prevent weapons from being supplied to Salvadoran guerrillas."

This political and military counteroffensive by the most conservative factions in U.S. politics also included a hemisphere-wide plan to isolate Cuba, portray it as an alleged exporter of rebellion on the continent and thus create an image of regional consensus that would "legitimize" a potential naval blockade or direct aggression against our country, moves that the best-known figures in the U.S. Government had been urging at the top of their voices.

This was how things stood last 2 April when Argentina retook the Malvinas Islands, which are part of its national territory that the British Empire forcibly snatched up in 1833 and which for the past 15 years had been the object of unsuccessful negotiations with London.

A powerful British military force was then launched to reconquer the former colonial possession and brutally crush the Buenos Aires endeavor.

After a farcical attempt to mediate in the conflict, the U.S. Government did an about-face and lent its total diplomatic and military support to the colonialists.

The Organization of American States and the advisory body of the TIAR have, at several meetings, expressed their support for Argentina and their opposition to the British position.

Early last Saturday morning, another lengthy meeting of the TIAR resolved by an overwhelming majority (and compliance with these decisions is supposedly mandatory) "to most vigorously condemn the unjustified and disproportionate armed attack launched by the United Kingdom" and "to urge the Government of the United States of America to order the immediate lifting of the coercive measures it has applied against the Republic of Argentina and to refrain from lending material assistance to the United Kingdom."

The American delegates to the meeting, led by Secretary of State Alexander Haig, once again abstained from voting on a resolution that was backed by 17 of the 21 governments in the region.

A few hours before, Reagan's representatives had to endure, stoically we must presume, the clamorous and prolonged applause that the delegates at the meeting, rising to their feet at OAS headquarters in Washington D.C., gave to the speech by Argentine Foreign Relations Minister Nicanor Costa Mendez, who lashed out at the Washington-London axis that had been set up against his country.

Former U.S. Secretary of State Henry Kissinger stated last Thursday in an interview with NBC that the Malvinas conflict could have "extremely dire" consequences for Washington's relations with Latin American countries.

The head of the U.S. Armed Forces Southern Command, Gen Wallace Nutting, said that same day that Latin America's military chiefs "do not understand" why the United States felt it had to give Great Britain military aid.

Nutting, who heads the command stationed in Panama, was described in an AP cable as "the highest-ranking American officer in Latin America." He is in charge of conducting relations with the local militaries and of supervising arms sales in the region.

The Yankee general also conceded, according to AP, that in recent weeks he had come up against "hostile reactions" to the United States in the area.

In evaluating the course of events, the French news agency AFP said last Tuesday that the current war in the South Atlantic "could jeopardize future relations between Latin America and the United States and, in a broader perspective, with the rest of the West."

THE BUENOS AIRES HERALD voiced the view that Margaret Thatcher had performed the miracle of uniting much of Latin America against the domination of the two major capitalist powers.

In an editorial on 24 May, the paper said that the Iron Lady is uniting the region "in a concerted front against the overwhelming influence exerted in the area by the two main Western powers."

Two days later, former Venezuelan President Carlos Andres Perez stated in Madrid that the Malvinas war "has forced Latin America to reassess its relations with the United States."

An indication of U.S. concern over the course of events could be seen in a message that Haig sent his British counterpart on Monday the 24th; he cautioned him that a military victory over the Argentines could eventually do serious harm to American and British interests on the continent.

A dispatch from the Spanish news agency EFE disclosed that "Haig told President Reagan that the British appear to be in a military position to put a prompt end to the war with Argentina over the Malvinas."

A high White House official who asked to remain anonymous (as cited by AFP) acknowledged the Republican administration's innermost fears when he said that "a defeated Argentina will look for a scapegoat, and we will probably be the scapegoat."

Last week Argentina withdrew its military delegation to the Inter-American Defense Board and called home its military attache to the Reagan administration, according to AFP, to show its desire to cut ties with the U.S. Government.

"U.S. anticommunist strategy in the hemisphere and especially in Central America has obviously been dealt an extremely severe blow for now," EFE reported from Washington on Thursday, "inasmuch as Argentina was one of the key elements in this strategy."

Furthermore, as if learning years ahead of time lessons that will inevitably multiply in the future, broad and important new sectors of Latin America have seen for themselves that the north, as Jose Marti described it for all times, is unruly and brutal and scorns us.

As we scorn them.

NATO's Position

Havana VERDE OLIVO in Spanish 10 Jun 82 pp 12-13

[Article by Elpidio Valdivia: Disorder Reigns Under Western Skies"]

[Text] The Malvinas Islands affair has unexpectedly upset the stormy chessboard that is generically called the West.

Latin America has dug in with Argentina, while at its latest meeting the Coordination Bureau of the Movement of Nonaligned Countries (which concluded its sessions early last Sunday morning) reiterated its long-standing support for Buenos Aires's sovereignty over the archipelago.

The U.S. Government has set itself up as the standard-bearer of the colonialist interests of Margaret Thatcher's administration, while NATO and the European Common Market have reluctantly--and not unanimously--expressed solidarity with London.

As the days and weeks have gone by since last 2 April, the confrontation between Latin America and Washington and the European capitalist countries has become more and more obvious.

Concurrently, dissent within the Reagan administration and among the Western European allies themselves has come to the surface as a result of the differing views on the policy that has been pursued so far towards the British-Argentine conflict.

Last 18 May, NATO reaffirmed its "total and unconditional support" for the reconquest of the Malvinas by the British fleet, while the EEC resolved, without the votes of Italy and Ireland, to extend the trade embargo against Argentina for another 7 days.

"I don't think that this support will vanish if Great Britain is forced to take much tougher military action in the area," Joseph Luns, the secretary general of the Atlantic Alliance, said in Luxembourg at the time.

Yet, 13 days later Luns conceded in Portugal, according to a dispatch from the British agency Reuters, that "the Alliance's defenses have been weakened" by the Malvinas crisis.

Luns spoke at the spring session of the NATO assembly, which was being held on the island of Madeira and at which the bloc's representatives voiced their concern over the gap created by the British fleet, particularly in the "defenses" of the Baltic.

These views were shared by the foreign affairs minister of the Federal Republic of Germany, Hans-Dietrich Genscher, who said on television that the absence of the fleet weakens NATO and should not be a permanent situation.

Horst Jungmann, an expert on military matters from the ruling Social Democratic Party, spoke on the same program, adding that the allies were upset because Margaret Thatcher launched her fleet against Argentina without informing her partners in advance.

In addition, Washington's rejoicing over Spain's recent entry into NATO was dampened somewhat when the Madrid authorities did not hesitate to show their empathy for Argentina and to put distance between themselves and London.

Because of this development, relations between Britain and Spain have cooled, while difficulties have arisen in renewing the American-Spanish Friendship Treaty as a result of opposition in the Spanish Congress to the "White House's active role in the conflict."

A wire from the French news agency AFP even said on 20 May that "a Spanish diplomatic source indicated today that the treaty would be reduced to the status of a mere agreement."

Two days before, the British secretary for Northern Ireland, James Prior, told newsmen that relations with that country, which had been improving for the last 2 years, had entered an unfavorable phase.

A few days before in Luxembourg, Italy and Ireland had opposed an extension of the trade embargo that the EEC had decreed against Argentina.

These differences of opinion intensified further on 24 May when the association of the 10 main Old World nations decided to extend the embargo against the Argentines "for an indefinite period," a decision that Italy, Ireland and Denmark questioned.

In addition, it was learned a week later in Brussels that the Belgian-Luxembourg Chamber of Commerce in Buenos Aires had sent a telegram to Belgian authorities expressing its total disapproval of the economic measures taken by the European Community.

Last Wednesday Japan agreed to extend the repayment of a \$100 million loan to Argentina by 6 months.

The British paper THE FINANCIAL TIMES commented bitterly that this was the first time that a banking group close to Great Britain and the United States agreed to postpone the due date of a short-term loan to Argentina since the outbreak of the Malvinas crisis.

AFP commented in this regard that the West resented Japan's apparent intention to take advantage of the current situation "to strengthen its commercial ties with Argentina."

Last Thursday, the secretary general of the Latin American Economic System (SELA), Carlos Alzamora, asserted in Caracas that SELA, to which 25 countries belong, could replace the OAS.

He also reported that at a meeting of high-level representatives of the system a resolution was passed vigorously denouncing the measures that Great Britain, the United States and the EEC have taken against Argentina.

As a sort of countering move, Alzamora added, the system set up an action committee to support Buenos Aires that would put into practice the concept of collective Latin American self-defense vis-a-vis the economic measures that might be taken against member states.

"This crisis," he added in conclusion, "has shattered many myths. It has unmasked a great many things and made us see them as they are, not as they ought to be."

Shortly before, the Panamanian foreign minister, Jorge Illueca, stated that "Britain's insane policies and the United States' inconsistent short-sightedness" are worsening the institutional crisis of the United Nations and "are making mincemeat of the so-called system of collective security under the TIAR."

Illueca, who was reflecting the prevailing mood at the most recent OAS sessions, called the current period one of "consolidation" for the Latin American movement, which after organizing itself in the economic sphere by setting up SELA, should now establish its own collective security system "in view of the United States' refusal to meet its obligations under the TIAR."

For many years now some Asians have been wont to describe certain social and political developments with the following remark: "A great disorder reigns under the skies."

Today, we need only change it to "under Western skies."

U.S. Foreign Policy

Havana VERDE OLIVO in Spanish 17 Jun 82 pp 14-15

[Commentary by Elpidio Valdivia: "Amid So Much Broken Glass"]

[Text] Less than a year and a half since Ronald Reagan rose to power, American foreign policy is going through a very difficult period.

His administration is beginning to reap the fruits of an unrealistic program designed to forcibly regain a world hegemony that "shined bright" 30 years ago and then inevitably began to fade.

According to many polls, Reagan's domestic popularity is like a sand castle that the wind is wearing away grain by grain, as a result of the application of an economic program that is suffocating the poor to finance colossal military budgets.

Disagreements with the Western European allies came to public light almost from the outset of the Republican administration, because of the White House's insanely militaristic and anti-Soviet policy.

Pursuing the logic of this policy, Washington shamelessly bolstered relations with the most unpopular regimes on the planet (such as Pinochet in Chile, the Zionists in Israel and the racists in South Africa), which has brought the United States problems, the most obvious example of which today is its isolation and lack of prestige in the United Nations.

The public squabbles between Secretary of State Alexander Haig and UN Ambassador Jeanne Kirkpatrick over their differing views as to the proper policy toward the Malvinas, or the mixups on crucial votes when they first vote against and then decide to abstain, have put current Republican diplomacy in an unquestionably embarrassing position.

One of the leading newspapers in the United States, THE NEW YORK TIMES, went so far as to recommend not long ago that the current team that speaks on Washington's behalf at the UN be replaced with real diplomats and foreign policy experts.

And amid all of this glass that major figures in the U.S. Government have broken, a little more than 2 months ago it ran into the unexpected developments in the Malvinas and, more recently, Israel's savage invasion of Lebanon, which is reminiscent of the most brutal scenes enacted by Adolf Hitler's hordes until 1945.

In the first case, Argentina's recovery of an archipelago that Great Britain stole from it a century and a half ago, the Reagan administration openly took sides with the London colonialists.

Washington did not hesitate to impose economic sanctions on Buenos Aires and to provide military support for the fleet that the British authorities sent to massacre the Argentines on the Malvinas, and now it is not even denying the possibility of sharing responsibility for the islands' future "security" once the British have achieved victory.

In the second instance, the U.S. delegation to the Security Council has expressed unyielding opposition (through its vetoes) to any resolution condemning Israel and calling for sanctions against it for its longstanding depredations in the Middle East.

At the same time, as an astonished world looks on at the bloody extermination of the Palestinian people by the Zionist executioners, the highest U.S. authorities declare unashamedly that the recent developments will not bring cuts in their plentiful military aid to Tel Aviv.

A cable from the Spanish agency EFE said last Wednesday from Washington that "the United States has decided to take a moderate stand towards Israel in the wake of its invasion of Lebanon and has ruled out an embargo on arms deliveries or any other sanction, at least for the time being."

The fighting in the Malvinas and the crisis prompted by Menachem Begin's regime in the Middle East have enormously complicated U.S. foreign policy, particularly in two vitally important regions for the revanchist strategy that Reagan proclaimed during his election campaign and in the days following his inauguration.

One of the most enlightened thinkers of contemporary imperialism, Henry Kissinger, stated this past 2 June in the FRG that the Malvinas crisis has become a North-South conflict, not an East-West confrontation.

Kissinger, commenting to the magazine BUNTE, said that because of the British-Argentine dispute "the U.S. position will be damaged for many months, even many years."

He also predicted that because of this "the dangerous combination of radical forces and nationalist movements could arise in South American countries."

The well-known American magazine TIME noted on 17 May that one of the first victims of the war in the Malvinas Islands "has been the Reagan administration's attempt to mold its world view into a consistent foreign policy."

Shortly thereafter, THE NEW YORK TIMES said that the U.S. decision to back Margaret Thatcher's aggression against the Argentines "threatens to undermine the U.S. strategy of combating communism in Latin America through alliances with the region's conservative governments."

Backing its opinions with the views of American and Latin American analysts, the paper went on to say that the Malvinas conflict "seems to have united both leftwing and rightwing regimes in this hemisphere against the United States."

With regard to developments in the Middle East, the Spanish agency EFE commented last Friday from the U.S. capital that political circles have no doubt that the Reagan administration is going to be one of the big losers in the conflict.

Continuing its analysis, it said that the Arabs definitely feel that they have been humiliated once again by Israel and abandoned on all fronts by the Americans, with the "moderates" most likely concluding that they cannot trust the United States as long as it is unable to "control" Israel.

U.S. policy in the Middle East, EFE concluded, "has been dealt a severe setback, after a decade of seeking to cooperate with the moderate Arabs while bolstering relations with Israel."

When asked about the policies of Iran and Israel in the region, Zbigniew Brzezinski, former President James Carter's national security adviser, replied that the tragic paradox is that our declared friends and enemies are acting together "to destroy our interests in the Middle East."

A short time before, the prime minister of Italy, Giovanni Spadolini, told newsmen after meeting with Reagan that the U.S. President is extremely "alarmed and anguished" by what is happening in Lebanon and the Malvinas.

These are some of the developments that the foreign policy proclaimed by the current Republican administration on 20 January 1981 has led to.

It now seems to have two options. Either chart a more realistic course in keeping, ultimately, with its own interests in surviving as a class and a system, or react even more blindly and endeavor to maintain ties with the forces and sectors that are gradually pushing the international situation to the precipice.

The Mexican foreign minister said last week at the UN that mankind, pressured by the insane arms race, is a species that is now in danger of extinction.

Whether the human race will survive instead of becoming extinct depends to a not insignificant extent on the lessons that the current U.S. government leaders learn from their continual blunders.

8743

CSO: 3010/1909

JOVELLANOS EXPERIMENTAL CANE STATION DESCRIBED

Havana BOHEMIA in Spanish 2 Jul 82 pp 28-31

[Article by Andres Rodriguez: "Production Research"]

[Excerpts] Cooperatives With Gardens

The vice president of the Matanza cooperative Arturo Suarez took us directly to his garden where varieties of cane were growing and began to show us the different "Cuba" types planted there for the purpose of testing them under specific soil conditions. Closely behind him was the technical adviser from the Jovellanos Experimental Station.

Actually, it is a pleasure to see this garden, along with the others we visited at the remaining agricultural production cooperatives found in the Jovellanos area. There we had also noted the presence of the station.

"And which of them do you prefer?" we asked the vice president of Arturo Suarez?

"I am leaning toward the Jaronu 64-19."

"But you did not favor it so much in other places."

"Right, in other places. I am speaking about here."

One perhaps has to pay heed to the words of this farmer. Actual experience has shown him that with certain exceptions, varieties are living beings that respond differently to different soils and climates. Whatever the case, life itself will reveal the validity of his words.

"What is your experience with leaving cane?" we then asked the cooperative official.

"I prefer to cut spring cane every year, as long as it is planted in April. If it is planted in May or June, then it is better to leave the cane and cut it when it has a higher yield during the next season. However, one should never leave the shoots. They always yield more when cut every year than if left for the next harvest."

This experience of the vice president of Arturo Suarez agrees in many aspects with results observed at the Jovellanos Experimental Station.

Validity of Long Cycle

Engineer Muniz is one of the technicians at the station who has devoted himself, among his many duties, to the agricultural benefit of stumps, particularly the so-called long-cycle variety that can be harvested as leftover cane.

At the 43d Congress of the Cuban Association of Sugar Technicians (ATAC) held at the end of 1981, Muniz was the author of a work on the causes of a decline in sugar yield in our mills. Among other aspects, he dealt with the handling of stumps and varieties. Some said afterwards that his work contained nothing new for production, but independently of the lack of any new contribution, one should point to the importance of his approach to a problem so vital to the industry.

Muniz explained in detail that the long-cycle variety -- the leftover cane -- is only valid in cane plants, never stumps.

His thesis can be summed up as follows: Stumps cut every year between 12 and 14 months can easily yield from 80,000 to 100,000 arrobas [1 arroba = 25 pounds] per caballeria [1 caballeria = 33.2 acres]. If left to be harvested at 19 or 20 months, the average is not over 150,000 arrobas per caballeria and consequently, this long cycle yields less cane and less sugar than the short cycle of between 12 and 14 months, inasmuch as the latter is harvested every year, while in the first case, one must wait two seasons before cutting.

This is not the first time the validity of leaving the stump has been impugned. It has previously been shown that it never increases production over 25 percent, meaning that it is not advantageous as such.

However, the standard would be some 200,000 arrobas per caballeria. This would constitute good reason for leaving the sugar on the stalk from one year to the next instead of cutting it. One should remember here the relevant words of Fidel spoken at the closing session of the 16th Congress of the Sugar Union.

Recommendation

The technology of planting in furrows, row or ridges is not a recent discovery; far from it. But it was new to us to learn that that technology, suitable for avoiding significant losses in heavy, poorly drained soils, was initially recommended based on an experiment with the relatively impermeable soils of Los Arabos and other areas in Matanzas done by the experimental station.

As it is well known, however, planting in furrows, rows or ridges was picked up and developed by enterprises along the northern coast of Villa Clara Province, whose distinctive trait is also poorly drained soil.

"Why did the Villa Clara residents move ahead on this?" was the question we put to Valdes, head of agricultural research.

"Precisely to get ahead of the Matanzas producers," he answered.

We recalled that 2 years ago, at the 43d Conference of ATAC, this young engineer had presented a report whose topic was the inefficiency of deep cultivation in the specific case of the ferrous red soils.

"Do you still think as you did 2 years ago?"

Experiment With Deep Cultivation

"Our research shows that in the case of the ferrous soils," Valdes said, "deep cultivation offers no significant response for developing the root system of cane and improving its yield substantially. Our experiment indicates that in this type of soil, compaction only takes place in the first 10 to 15 centimeters, meaning that this method of cultivation is not essential.

"We have also come to the conclusion that preparation of the soil represents an extremely important element. Where it is not done properly, there may be no other alternative than using deep cultivation."

This is naturally the station's experience, which we must report without adding or subtracting anything. It is based on concrete research and is consequently absolutely respectable.

But it must be said that other researchers, also based on concrete research, emphasize the need for deep cultivation.

One of its defenders gave us the following reasoning:

"Cane is a gramineous plant endowed with properties enabling it to seek out nutrients for its development at a considerable depth. As a result, it is advisable to give it a fertile, nutritious place to grow which only deep cultivation can offer."

Conversation With Director

Pedro Pablo Leal Castaneda is the director of the Sugar Cane Experimental Station in Novellanos. He explained in detail the 26 research subjects making up his program. To give an example, he told of experiments conducted at sugar cane enterprises in the provinces on the subject of fertilization, which show that it is virtually unnecessary when it is a question of planted cane. In other words, resources are being used that do not offer the proper production and economic answer.

But our conversation concentrated on the varieties, which make up the main subject of the station.

"There is widespread belief that you delay the introduction of varieties into production for a long time."

"To a certain extent, it is true that we have been overly conservative about introducing new varieties, but I can tell you that we have now changed tactics and are now speeding up the process."

"Do you have any concrete examples of this new tactic?"

"First of all, I must clarify that we have never stood idly by about the matter of introducing new varieties into the country. What has changed, I repeat, is the method of introduction. In answer to your question, the best concrete example is the 11 new varieties recommended by our institute for production during the final months of 1981. Some of these appear promising."

"Do you believe they will be good for all places?"

"That is very difficult to say. But the alternative is testing them in order to come to the correct conclusions. That is what cooperative members are doing here in the province and you have seen this with your own eyes. The cane enterprises are also doing it. You saw the district we sponsored on Julio Reyes Cairo and you saw the garden with the 20 new clones that are being tried on Seis de Agosto, an enterprise that now depends solely on Jaronu 60-5 and Puerto Rico 980, for the simple reason that other varieties had not been tried."

"And yet, such an attitude on the part of many of our producers is understandable when one realizes that they need varieties that are not only promising, but that give a good yield as well."

"And we understand that, but the remedy cannot be using the known varieties forever because this could seriously hurt the very future of cane production. One example of this was the problem with rust in Barbados 4362. There is no other alternative than trying varieties turned out by research in order to determine which give an effective response, without any bad effects."

Recapitulating

What does the survey we have just presented show?

The first thing that catches one's attention is the link established by the Jovellanos Station with production in the case of Matanzas Province. As previously stated, its presence can be felt in state enterprises as well as in agricultural production cooperatives. But the fundamental thing is that its opinions are increasingly heard, which is a manifestation of scientific and technical credit.

Everything would seem to indicate that the station, as an integral part of the Sugar Cane Research Institute of the Academy of Science, has become aware of the need to promote the entry of new varieties into production and this has started to come about. However, it is an objective fact that many producers in the country are uncertain about the varieties, which the Institute and its stations have not totally managed to dissipate. Perhaps this is one of the greatest challenges to face and solve.

In the field of agriculture, the station has conducted research of interest and made concrete recommendations for production. However, the opinion exists that part of these recommendations need further acceptance.

Although qualified personnel do exist, the Institute and its stations still need to step up the training and increase the experience of such personnel, particularly in the important field of genetic improvements.

In addition, the genetic improvement of cane has also suffered some instability regarding personnel responsible for the task.

The example of an effective link between research and production in Matanzas Province must be carried further in other parts of the country. Its generalization is essential in order to be able to move forward with coordinated, effective steps.

It is encouraging that the Institute has materialized the suitability of using mass media to reflect its achievements and problems. This visit of BOHEMIA to the Jovellanos Experimental Station is tangible proof of this spirit. It would also be suitable for the visit to be repeated so that public opinion may follow what is happening and thus help create the proper climate for solutions.

11,464

CSO: 3010/1908

REPORTAGE ON 'IVORY ISLANDS' MERCHANT CREW, SHIP

Havana BOHEMIA in Spanish 2 Jul 82 p 31

[Article by Gregorio Hernandez]

[Text] When one talks about the national merchant fleet, one customarily refers only to the tonnage and number of units it includes. And yet, the central element in this maritime development, the human factor, is scarcely mentioned: the man who, with his difficult and sometimes heroic daily work makes the transport enabling us to meet the obligations of our trade and bring in foreign exchange possible.

That human factor, that man, is the crew member.

The 44 crew members of the "Ivory Islands": Today, BOHEMIA ECONOMICA introduces the crew of a ship that recently completed various trips, all marked by extraordinary efforts, emotion and sacrifice. We are speaking of the 44 men of the "Ivory Islands."

Let us present what in cinematographic slang is called the "technical credits": Built in 1959 in the Federal Republic of Germany, it has a deadweight of 15,180 tons, at speeds of up to 16 knots. It is 157.4 meters long and 19.4 meters wide.

The trip before last was a very hazardous one in October 1981 to the Port of Atica in the Pacific, where it picked up a load of fish flour. It had previously stopped at Tampico, Mexico, where, despite the fact that the ships' officers had been authorized to rent cranes to unload the sugar, it was possible to use the winches, thereby saving the needless outlay of foreign exchange.

The freighter, which is over 23 years old, had new and more serious difficulties with its winches when it came into the Peruvian port of Atica. Eight of the 12 suffered breakdowns, a situation endangering the normal operation of loading the fish flour. If the problem were not solved, a large sum of freely convertible currency would have had to be spent for failures to comply with regulations or delays in port. Supported by the rest of the crew members, the skillful electricians tackled the repair job, whose difficulties were made even greater by the lack of spare parts, for this is a ship with obsolete technology. Many inventive ideas and unrelenting work marked the effort, which

turned out to be successful. The vessel was thus able to comply with its obligations in the Peruvian port on time.

Back in Cuba, upon going through the Panama Canal, the ship's officers were authorized to rent tugboats to go through the locks. However, once again the crew's efforts were noteworthy. The technical condition of the engines was ensured and the ship was able to do without the aid of the tugs, thus saving payment for such a service.

On the current trip to the Mediterranean, from which it will probably have returned when this report is published, it was to carry a load of steel bars, but that is not all. The "Ivory Islands" set sail with practically no heating system because of problems in the pipes, meaning a very difficult trip. Nevertheless, there was no reluctance on the part of the crew.

To this unfortunately extremely brief report, we wish to add only that these men are a typical example of the attitude taken by our sailors at all levels of responsibility in our ocean-going fleet.

11,464

CSO: 3010/1908

IMPORTANCE OF IMPORT SUBSTITUTION DISCUSSED

Havana BOHEMIA in Spanish 18 Jun 82 pp 28-31

[Article by Julian Ramos: "Import Substitutions"]

[Text] The exploitation of man by man and of underdeveloped countries by developed countries exists under capitalism.

Underdevelopment is no accident, but rather, the historical result of the division of the world between the great powers, of colonialism, neocolonialism and the highest form of capitalism: imperialism.

By means of military conquest or through more sophisticated forms of political and economic control, a small group of nations has monopolized the raw materials and labor forces of the more backward, weaker countries.

The hegemonic nations have enjoyed a gradual concentration of money, industry and knowledge, the latter through the development of science and technology. Such development has been fostered by capitalism's need to increase its earnings by increasing the productivity of work and the modernization of means of production.

This resulted in the development of what we know as unequal trade.

In developed countries, mechanized and automated production means, because of modern technology and the use of skilled labor, that the productivity of the work force is very high.

Underdeveloped nations have only backward technology and consequently, the productivity of their work force is very low. But what does all of this mean? Something very important.

It means that a man in an underdeveloped country has to work 10, 12 or more hours in order to buy a product that a worker in a developed country produces in only 1 hour.

This, then, is the economic essence of unequal trade.

However, the worst part is that most of this difference goes into the pockets of the capitalist exploiter class.

This situation steadily grows worse as the gap widens between the amount of work that underdeveloped countries have to turn over to obtain products from developed nations.

For example, in our commercial relations with capitalist countries, we have to trade more and more sugar for every product imported from those nations.

The situation is different with respect to the socialist camp, where there are agreements providing for compensatory trade, with prices set on a long-term basis and relating to cooperation and mutual aid.

Based on the foregoing and the level of development of our economy, to the extent that we are successful in reducing our imports from capitalist countries, we shall free ourselves from unequal trade and save on the work of our people.

We all know that given the complexity of the modern economy, no country can live isolated, without foreign trade.

Furthermore, international foreign trade is dynamic in nature.

Consequently, one of the basic questions to be analyzed is the way in which we can face the replacement of imports.

The guiding principle must be the economic factor.

In a planned economy, prices used for trade within the national territory are set by the government and correspond to an economic policy established for the country's economic and social development.

As a result, these are not the only prices that must be used for an analysis of the economic suitability of replacing imports.

What prices should be used?

Foreign prices, the prices used on the world market, the prices used for the products that we import from and export to capitalist countries.

In the case of socialist nations with which we have price agreements, there should be two analyses based on long-term agreements: one at world prices and another at agreement prices.

This would result in a more logical evaluation of results.

It is necessary to bear trade relations in mind because they are not the same for all countries, as we have explained. From the Soviet Union, for example, we obtain a much better price for our sugar and on much more favorable conditions than we do from capitalist countries.

It is thus obvious that we must analyze how much it costs us, at international prices, to produce at home the product to be replaced and how much it costs us to import it.

The balance is not always favorable.

The most common cases are the following:

It is necessary to import raw materials. In this case, the very cost of the materials may not make it economically advantageous to produce the product to be replaced, although it might be advantageous to replace capitalist raw materials with socialist raw materials.

The scale of production needed to achieve substitution does not allow costs that turn out to be favorable when compared with import costs.

In a case where substitution requires investments, the period of recovery from those investments must be evaluated.

In addition, a distinction must be made between the different investments.

Investments whose amount is significant must be in keeping with the country's development strategy.

However, there are many cases in which investing in an additional machine, a mold or a die would enable us, through our installed capacity, to replace imports and recover the investment in a very short time.

This latter case must be evaluated.

Such a result is possible in the machine and metallurgy industries, in which the general range of production could be expanded and in particular, the range of spare parts, as demonstrated in the forum held at the beginning of 1982.

In the rubber and plastics industries, molds and dies are a bottleneck in replacing imports.

Utilization of idle capacities would make it possible to improve the efficiency of the enterprise and add funds for expanding those capacities, which is in the interest of all workers.

At the symposium on import substitution held in April, numerous examples were given of making use of idle capacities in order to replace imports.

There are cases in which the economic factor is not the only one affecting the decision on a substitution.

There are products we cannot obtain because of the blockade imposed on us or it would be strategic to produce in the country.

It is possible that by obtaining raw materials from the socialist camp, we could avoid imports from the capitalist countries, thereby ensuring resources for other activities and a more stable supply.

Given the preceding conditions, the country might decide to produce a substitute for an imported product even though the economic analysis is not quantitatively advantageous.

Enterprises might envisage import substitution in various ways: by producing the substitute product; by reducing or eliminating the consumption of the imported product; and by using our secondary raw material.

In the first case, the enterprise must study products imported into the country and which, given the technology we have and with the basic installed capacity at hand, can be produced.

In order to solve this problem, the following line of action could be taken:

If the product is already being produced but in insufficient quantities, we could expand shifts or clear up bottlenecks limiting the production capacity.

We could demonstrate that it is economic to broaden production. This is necessary since production is sometimes limited by a lack of financial resources needed to import capitalist raw materials and yet, a finished product could be produced, thereby replacing a capitalist import with a positive effect on the foreign exchange balance.

When the product was once produced and when we have the technology and knowledge needed to do so, we must analyze the economic feasibility and the available capacity.

In this case, any solutions that might be suggested by the most experienced workers in the factory or enterprise are of extreme importance.

Also solutions from the previous case are valid.

In cases where only some components of a product can be produced, there should be coordination with the enterprises that might make additional parts and then, on the basis of "industrial cooperation," turn out a finished product. Industrial cooperation is an activity of great importance because it makes it possible to coordinate capacities and the technology of different enterprises in order to achieve a given type of production.

For example, a metallurgical enterprise might produce the metal part for a hammer and another might turn out the wooden handle. One of them could assemble the hammer and sell it as a finished product.

Enterprises must include in their investment and development plans the necessary resources for expansion of production to be used to replace imports.

It is important to include in the Scientific Progress Plan all research aimed at import substitutions.

Another way of replacing imports is by eliminating or reducing them. In order to do so, work would take the following directions:

National products that might replace imports should be analyzed. Another possibility that could be advantageous is the replacement of a product from a capitalist country with one from the socialist camp, given the differences in trade relations.

These solutions are sometimes made possible with changes in formulation, design or simply by starting from a less finished raw material that could be taken to the required specifications through treatment in the very factory or enterprise.

Consumption could be reduced by cutting waste inside and outside of the process by means of the application of progressive standards of consumption.

The utilization of secondary raw materials is of extreme importance and is increasingly common in the modern world.

Secondary raw materials are obtained from waste: for example, the used paper that is recycled in order to be processed and take the place of pulp, the original raw material, in making paper.

In this way, plastics, wood, textile waste and many other material resources can be recycled.

In being recycled, waste recovered in nearly all activities lengthens the life of raw materials and naturally makes it possible to replace imports by reducing consumption of original raw materials.

Enterprises must study the component parts of their production that can be recovered, after products are no longer usable, and reincorporate them into the production process.

In this way, one might organize the collection of waste and scrap and process secondary raw materials making it possible to cut down on imports and increase production, while reducing costs and improving efficiency. We would not only save on imported products, but national products as well, which is also of the greatest importance.

Secondary raw materials are a great source of hidden reserves for the gradual expansion of the use of idle capacities in many branches of our economy.

Finally, we must not forget that imports and exports are usually picked or harvested and that many of the solutions for replacing imports can become export possibilities.

Replacing imports is an important way of speeding up changes needed in the distorted structure left to us by capitalism, reducing our dependency on the capitalist markets and their oscillations due to the general crisis in capitalism, and achieving a harmonious, proportionate development of our economy, while improving its general efficiency. It is therefore the unavoidable duty of the enterprises and workers in our socialist society.

NATIONAL CIVIL DEFENSE SCHOOL OUTLINES MISSION

FL221520 Havana Domestic Service in Spanish 1045 GMT 22 Jul 82

[Text] The 20th anniversary of the establishment of our country's national defense will be celebrated on 31 July. This institution founded to protect the people and the economy from enemy aggression or natural disasters, has continually improved its level of preparedness, striving to become more efficient each day.

The National Civil Defense School [Escuela Nacional de La Defensa Civil], founded 20 years ago, trains the top cadres of the institution. Lt Col (Jesus Tabares), director of the school, tells us more about the institution:

[begin Tabares recording] Our school's mission has been to train the command cadres of the municipalities' and provinces' civil defense. In the last few years we have performed other tasks, such as training active military personnel studying abroad, and we recently held the graduation of the first basic training course for officers from the civil defense active military service. In this manner, we have further contributed toward improving the combat and operational capabilities of the general staffs and, generally, toward the satisfactory fulfillment of the missions assigned by the commander in chief and the minister of the FAR.

Our school today enjoys a prestigious reputation because of the quality of its training, since we not only train the cadres for the reserves but also for the military active service. This compels us to make greater efforts each day to improve our training method, the qualifications of our instructors and living conditions in our unit. Today, on our unit's 20th anniversary, we are pleased to say that we have achieved the level demanded by the minister of the FAR as to what a military training center should be. [end recording]

CSO: 3010/1986

CLOSING OF CONSTRUCTION CONFERENCE REPORTED

FL161255 Havana Domestic Service in Spanish 1000 GMT 16 Jul 82

[Text] Commanders of the revolution Juan Almeida and Ramiro Valdes as well as Osmani Cienfuegos, all members of the politburo, have presided at the closing session of the first scientific-technical conference of the construction sector which, with the participation of more than 450 delegates and guests, met in this capital during the past 3 days.

During the ceremony, which was also chaired by Construction Minister Jose Lopez Moreno, certificates of recognition for outstanding contributions to the development of construction in our country were presented to Commander in Chief Fidel Castro, Juan Almeida, Ramiro Valdes and Osmani Cienfuegos as well as 109 workers for their 20 years of service in that branch of the economy.

Special certificates of recognition were also presented to specialists and research centers of the Soviet Union, Bulgaria, Czechoslovakia, Poland, Hungary and other socialist countries for their contributions to the development of that sector in our country.

In his closing remarks at the conference, Wilfredo Torres, president of the Cuban Academy of Sciences, noted that since the 60's the construction sector has conducted an active process of adaptation of technology to our conditions and has introduced innovations in projects, material constructions and hydraulic works.

CSO: 3010/1986

MACHADO VENTURA DISCUSSES PCC COMPOSITION

Havana CUBA SOCIALISTA in Spanish Mar 82 pp 3-27

[Article by Jose R. Machado Ventura¹: "The Social Composition of the Party Ranks"]

[Excerpts] The primary ideas relating to a working class revolutionary party which is familiar with the history of socialist thought were expressed by Karl Marx and Friedrich Engels. They, as we know, discovered the regularities of social development and laid the scientific foundation for the inevitability of the death of capitalism and the advancement of this kind of society to a higher form of socioeconomic organization: communism.

At the Second Congress First Secretary of the Cuban Communist Party Fidel Castro said: "We will be leaders not because of what we may think of ourselves but because of what the people may think of us."²

The revolutionary content of a communist party is determined by its ideology: Marxist-Leninism, its level of revolutionary awareness and its social composition.

The growth of such a party and its appropriate social class composition are not spontaneously realized but are instead subject to given regularities. An objectively conditioned, but at the same time consciously regulated process is involved.

In this article we are essentially going to analyze those aspects relating to the worker composition of the Cuban Communist Party.

The Situation in Cuba During Different Periods of Development of the Party and the Reasons Behind It

As we know, the rebel struggle in our country (1953-1958), which culminated in the revolutionary victory of 1 January 1959, was headed by the Rebel Army, organized and led by the 26 July Movement. But this was not its exclusive achievement. The fighters of the 13 March Revolutionary Directorate also actively participated in the struggle against tyranny as did our first Marxist-Leninist party, which paid a high tribute in blood with the lives of many of its members. During the revolutionary struggle, these three organizations

maintained contact with and helped one another, although each one preserved its own independent leadership. After the revolutionary victory, close cooperation evolved among them, there were frequent contacts and everyone supported the fundamental decisions that were made. In this way the conditions which later permitted them to form a single organization were coming to a head.

Referring to this important phase of our revolution, Comrade Fidel Castro said to the historic First Congress in the "General Report": "As a matter of principle, the revolution has never closed its doors to any honest Cuban, any citizen who wants to work for it. It has been a broad one in the strictest sense of the word. Historic merits have been taken into account, but in the new history that we have begun to write there has been an honorable place for every worthy Cuban.

"Many of our fellow countrymen were too young when the rebel struggle was going on or had not yet acquired a clear class awareness or had not advanced themselves to a revolutionary form of political thinking that goes beyond their own class. There was a gigantic gap between the whole bourgeois liberal political education our society was impregnated with and socialism and Marxist-Leninism. Our masses, especially the workers and poorer segments of the population who constituted the overwhelming majority, rapidly spanned this gap. The revolution itself, the resolute struggle against imperialism and the exploiting classes taught all of us admirably well.

"This is why on 16 April 1961 in a manly display of rifles raised by the vigor of our arms and fists of our workers at the burial of the victims of the bombardment by the mercenaries and on the verge of going into combat against the invaders, the working people could already with heroic determination proclaim the socialist nature of our revolution. On that day the foreign monopolies, the landowners and our national bourgeoisie were expropriated and our working class lost the only thing it owned: its chains. As a revolutionary class allied with the farmers and other poor segments of the people, it was to be the indisputable vanguard of the process.

"The conditions required to organize all revolutionaries into a single party had been produced. Even earlier a process of integration had begun among the rank and file and their leaders, but after the decisions of 16 April and the glorious victory at Giron, our party in fact came into being in terms of the close unity of all revolutionaries and the working people, cemented by the heroism of our working class, which had fought and generously shed its blood in defense of the fatherland and socialism. In future we were to act like a single organization and under cohesive leadership. Marti and Lenin's brilliant ideas concerning the need for a party to lead the revolution were more than ever present. Their ideology could not be liberal or bourgeois thinking, rather that of the revolutionary social class which history itself had placed in the forefront of mankind's struggle for liberation: the working class and Marxist-Leninism, whose standard Balino and Mella had already valiantly raised on high in 1925."⁴

This is how, in 1961 — as Comrade Fidel put it — the three revolutionary organizations merged. The Integrated Revolutionary Organizations (ORI) arose

from this union. Through this process of integration, the active revolutionary cells were formed at jobsites as rank-and-file ORI organizations. However, the sectarian nature of this process of integration, which was so important, limited opportunities to be admitted to it to courageous revolutionaries and other workers who, not having any ties with earlier regimes, had embraced the cause of socialism through active and distinguished participation in the defense and development of our revolution. Those errors were publicly discussed by Comrade Fidel Castro.

After studying and criticizing these sectarian methods and the disassociation from the masses that were typical of the organization of the ORI cells, as of March 1962 work was begun on the construction of a party in accordance with the principles of rigorous and individual selection, volunteer effort and consultation with the masses, which fall within the framework of the principles proposed by Lenin for the organization of this new kind of party.

At that time Comrade Fidel specified the concepts and the method that ought to govern the process of forming the cells of the then United Party of the Cuban Socialist Revolution (PURSC), a name that objectively expressed the nature of this unique organization of all the workers.

With regard to what party members should be like, Fidel on that occasion noted: "...the first requirement to be a member of a cell is to be a model worker. One cannot be a builder of socialism, nor a builder of communism if one is not a model worker."

"One has to be a model worker, but one also has to accept the socialist revolution, accept the ideology of the revolution, want — of course — to belong to a revolutionary cell, accept the responsibilities incumbent on a member of a revolutionary cell, but it is also necessary to lead a clean life."⁵

These principles were applied simply and clearly, and from that very moment it was with great exactingness required that quality be the governing principle in determining admission into the ranks of the party.

So in 1962 we began to build our party, starting with the development of the process in question at the basic centers of industrial and farm and livestock production, that is, at those places where workers directly associated with the production of material goods were concentrated. This initial phase lasted for over a year.

At the end of 1963 the building of our party among the basic military units of the Revolutionary Armed Forces was begun and in 1965 the process began in the Ministry of Interior.

Simultaneously with the building of the party in these military institutions, the process evolved at the country's other work, teaching and service centers.

After 1965 and taking advantage of the experiences obtained in prior years, we began to build up the party in the national directorates of the central agencies of the state and the mass organizations.

The building of the party was also developed in rural areas, albeit with special features.

What we have just noted shows that right from the start our party has devoted special attention to the social composition of its ranks. Thus at the end of 1967 and with the conclusion of the fundamental tasks involved in the phase entailing the building up of the party, production and service workers accounted for 56.7 percent of all the then-existing civilian manpower, in view of their job assignments.

Before continuing with our discussion of the later evolution of this area, it is fitting for us to stop for a moment and see how our First Congress rated the situation.

The First Congress of the Cuban Communist Party

In the discussion which this important issue gave rise to, it was argued that the social composition of the party could be determined on the basis of the social origin of its members or of their social status or position. Then too, the argument itself sanctioned the importance of the fact that workers were predominant in the social composition of the party, due to both their social origin and their social status or current job assignment.

In connection with this, our First Congress decided that, considering the social origin or source of its members, that is, in which class or sector of the society they received their training, the social composition of the party was very good since the immense majority of its members came from the working class and the poor farm sector.

However, in analyzing the social composition of the party in terms of the jobs at that time assigned to its members, it was estimated that, while production and service workers represented almost two-thirds of the country's total labor force, party members and applicants for membership with those occupational classifications accounted for only 35.9 percent of the party ranks.

That is to say that, on the one hand, it was ascertained that there was a relatively small number of workers in sectors as important for our economy as the sugar industry, the farm and livestock enterprises and programs, the construction industry, transportation and education and, on the other, it was plain that those workers who performed political leadership or administrative functions and who represented only 7.7 percent of the country's total labor force, accounted for 42.1 percent of the party's members and applicants for membership.

Because of its importance, this issue was raised not only in the position paper, "On the Internal Life of the Party," discussed at the First Congress, but also by our first secretary, Comrade Fidel Castro, in the "General Report" at that historic event.

After analyzing this situation, they concluded that it was fundamentally a consequence of the revolutionary transformations that had taken place in

previous years, when thousands of workers were assigned to perform administrative functions in factories, on farms, in workshops, etc.

Therefore, the fact that a large number of the party's political and administrative leaders in those days came from the working class and met the requirements for and were worthy of playing an active role in the party and at the same time of assuming responsibilities of that kind was considered to be a positive feature and a guarantee for the achievement of the objectives of the working class and its party.

However, and quite rightly so too, they concluded that, in order for the party to be able to appropriately carry out its role of guiding force of the working class, it needed to be composed of a higher percentage of active workers, workers directly associated with industrial and farm and livestock production, construction work, teaching and the services.

This determined the need for guiding the growth of the party ranks to achieve the objective so that through its composition the necessary and positive presence of the thousands of communists who assumed leadership responsibilities would be complemented by the admission into the organization of thousands of workers who would guarantee the active standing of the party within the working class.

In connection with this, the First Congress outlined the objectives to be achieved and the methods to be used to achieve a significant increase in the percentage of workers directly associated with production or the services, including the skilled workers and technicians in both fields.

In view of the fact that, due to its nature and goals, our party is a worker party and in order for it to be able to perform its administrative role in governing the nation and the entire society more objectively and critically, the position approved by the congress sanctioned the need for seeing to it that cells are primarily composed of workers physically linked with the production of material goods or the providing of services.

Resolutions of the Central Committee of the Cuban Communist Party and Its Politburo on the Social Composition of the Party's Manpower and the Growth of Its Ranks; Work That Has Been Done and Results Obtained

In 1976 and 1977 the party's governing bodies adopted a group of measures aimed at carrying out the resolutions on this matter adopted by the First Congress. However, despite the efforts made during that period, for different reasons the desired results were not achieved until December 1977. This situation was analyzed by the Politburo at its meeting on 1 December of that very year.

In this analysis it became clear that, independently of comprehension of the need for and possibility of working to improve the social composition of the party ranks in keeping with the job assignments of party members and applicants for membership, certain narrow concepts were being applied which in practice limited achievement of the planned objectives.

Consequently, study of the tendency observed in the social composition of party manpower during the 10 prior years indicated that the diminishing trend of worker representation, which began in 1967, had scarcely been checked in the 2 years subsequent to the First Congress.

On appraising the situation, the Politburo decided to pass the results of this analysis on at a plenary session of the Central Committee for the purpose of getting its opinions on the matter as well as proposing measures to be adopted in connection with it.

Held on 15 December 1977, the Fifth Plenary Session of the Central Committee discussed the report on the state of the party's membership, its growth and social composition, agreeing to charge the Politburo with establishing the standards, procedures and as many measures as might be necessary to achieve the objectives outlined by the First Congress with reference to the composition of party members and applicants for membership in terms of labor.

In the course of the Central Committee plenary session discussion, a series of ideas pertaining to this important aspect of the situation, which constituted the basis for the resolutions the Politburo later adopted at its 5 January 1978 meeting, were expounded. The most significant of these resolutions were:

- a) The establishment of national growth projections for 1978, 1979 and 1980 based on then-existing objective possibilities.
- b) Regulation of the composition of newly-admitted members to be achieved during those years through the establishment of ratios that would ensure improvement of the social composition of party manpower.
- c) The priority nature of growth in the sugar industry.
- d) Implementation of the method that would facilitate a more accurate analysis of requisites in the case of workers.
- e) The development of an effort aimed at creating party rank-and-file organizations at those centers of production of material goods that did not yet have them.
- f) The adoption of a series of measures aimed at making more flexible certain procedures and standards entailed in the process of admission to the party which had been limiting its practical application.

Special emphasis was also laid on the need for seeing to it that exacting quality standards in deciding on admission to the party continued to constitute the principle that governed this important activity.

As for the job accomplished on the basis of these resolutions, we must note that it was performed seriously and thoroughly. The role played in connection with this by our state agencies and rank-and-file organizations, particularly the latter and the party's municipal committees, was a decisive one.

As a result of that arduous and complex effort, the objectives outlined by the First Congress with regard to the social composition of the party's manpower and the growth of its ranks were not only achieved, but in some cases over-achieved.

The Second Party Congress and the Composition of the Party Ranks

On analyzing the achievement of the objectives outlined by the position paper, "On the Internal Life of the Party" — approved by the historic First Congress — dealing with our party's social composition, the Second Congress ascertained that, as a result of the job that had been done, the percentage of workers directly associated with production, the services or teaching, including skilled workers and technicians engaged in those activities, amounted to 62.8 percent of the total manpower, this further resulting in the fact that those workers directly associated with production or the services had come to constitute the basic core, representing 48.1 percent of the total number of members and applicants for membership. This made it possible for the social composition of the party to agree with its nature and mission in view of the job assignments of its members and applicants for membership.

The fact that "the growth of the party" — as the resolution on the position paper, "On the Internal Life of the Party," approved by the Second Congress — "was basically effected in those sectors extended priority treatment, thereby producing significant increases in the number of party members and applicants for membership in the sugar industry, the rest of the industrial sector, the construction industry, transportation and education, those obtained in the farm and livestock sector and in the field of public health also being sizable,"⁶ was decisive in the achievement of these objectives.

The regulatory action of all party agencies with regard to the effort to attract [members] and achieve growth was a decisive factor in the attainment of the accomplishments achieved.

The Second Congress also regarded as highly positive the numerical increase party manpower underwent as a result of the new admissions that took place during the 5-year period. This enabled our party, which counted a total of 211,642 members and applicants for membership on 31 December 1975, to attain the figure of 434,143 by July 1980. This achievement is an expression of the level of awareness that has been attained by our working people and of the values they possess, as well as of the work done and the effort made by the mass organizations and party administrative agencies.

The advances that can be seen in terms of party manpower, both quantitative and qualitative, will place the party in a better position to more effectively exert its influence among the working masses.

Taking into consideration the results obtained in the application of the position paper, "On the Internal Life of the Party," the Second Cuban Communist Party Congress adopted a series of resolutions on the social composition of the party and the growth of its ranks which, in summary, have to do with:

Maintaining the struggle for quality in terms of new admissions to the party.

Continuing to exercise a regulatory action over new admissions in order to maintain or increase worker representation in the party ranks.

Working to obtain a reasonable rate of growth during the 5-year period to achieve the proposed objectives with the required quality.

Guaranteeing, through growth, the strengthening or presence of the party in those locations that possess special importance for the country's economic development, extending priority to the new centers of production and services that are created during the period.

Increasing the influence of the party in the Union of Young Communists (UJC) and among the youth masses through the processing of young communists who meet the requirements, especially workers.

Recommending to the UJC that it continue to apply the policy established for the growth of its ranks.

Devoting a special effort to the necessary training of those new admissions who have become members of the party rank-and-file organizations during the past few years.

Working to see to it that our rank-and-file organizations absorb the volume of these admissions and achieve a suitable balance in their operation.

Roughly outlined, these are the main resolutions concerning this activity that are contained in the resolution on the position paper, "On the Internal Life of the Party," approved by the Second Cuban Communist Party Congress.

Current Tasks and Outlook

As we stated earlier, the quantitative and qualitative advances achieved by our party these past few years have created favorable conditions for it to strengthen its role and influence in all areas of the construction of our socialist society.

The fact that a large number of rank-and-file organizations have been formed these past few years has at the present time made it possible for the party to be present in almost all production centers as well as in the most important teaching, scientific, cultural, service, etc. centers. This must naturally mean an extension of party activity in those locations and, consequently, affect the quantity and quality of the work that is done in these important areas.

In view of everything we have said above, it is obvious that a new phase of qualitatively better performance has been launched for our party.

On analyzing the operation of the rank-and-file organizations and administrative agencies and their relations with the administration, the union and the

UJC, the Second Congress attested to the fact that the practical application of the provisions laid down therefor had permitted us to achieve significant advances in the operation of the party and in its relations with the above-noted elements, and that, furthermore, the observance of a more uniform way and style of working had been noted in the different party agencies.

Nevertheless, despite these advances, the congress felt that it was necessary to deal with certain shortcomings that still exist in the activities of the party organizations and agencies.

In the direction noted, special emphasis was laid on the need for increasing party influence in terms of economic, social and cultural development and the solution of specific problems which must be resolved in these areas at the level of the rank and file as well as in terms of raising the level of party management in keeping with the qualitative development which our organizations and agencies have achieved these past few years, to accomplish which the real strength signified by the great increase in party members and applicants for membership both at jobsites and among the population is a decisive factor.

The congress also stressed the need for increasing the party's degree of exactingness with regard to the meeting of quotas, increasing labor productivity, labor, administrative and technological discipline, the sensible use of material, human and financial resources, etc. Emphasis was laid on the fact that these problems must be tackled in terms of the required magnitude and with the necessary perseverance, energy, methodicalness and enterprise.

To this effect, the Second Congress adopted the analysis and guidelines contained in the Politburo's resolutions for the rank-and-file organizations, approved in July 1979.

The chief efforts of the party agencies and organizations at all levels are at present being expended in the above-noted directions. Hence emphasis has been laid on the party's organizational effort, which goes hand in hand with making feasible the attainment of those objectives.

One of the most important tasks that has been undertaken is the one relating to the training of those members and applicants for membership who have joined the party during the past few years. It is, on the one hand, a matter of seeing to it that they acquire a fundamental familiarity with the party's basic documents, that is, the program platform, statutes, rules, etc., and, on the other, that they continue to gradually and in a properly oriented way assume the practical duties of the party.

The objective is to see to it that each and every one of the members and applicants for membership can perform any party task, that he can adapt himself to his potential and at the same time to the needs of the rank-and-file organizations.

In March 1981 the Central Committee Secretariat approved a document aimed precisely at providing guidance as to how the job should be accomplished and organized in order to guarantee the training of recently admitted members and

applicants for membership. The schools for applicants are performing an important role in connection with this.

Viewed from another angle, the achievement of the great growth of the party effected these past few years has involved not only a great effort aimed at training these new members, but has also forced us to provide direct aid and guidance to the party cells, especially in production centers where their membership has in a very short space of time doubled and even at times tripled. That is, they must get used to and learn to work with the new force and at the same time do so with greater efficiency and thoroughness than has hitherto been the case.

During the past few years the new members have substantially changed the composition of the cells, fundamentally at production centers, creating a new and very favorable situation so that the party can deal with those problems relating to economic and production activities. But at the same time this requires changes in their view of the job and in the style and method they apply to it.

From what has been said above, we can realize the decisive importance of the municipal committees in the handling and supervision of the job they have to do for the rank-and-file organizations subject to their jurisdiction. Hence one of the fundamental tasks we have to deal with at the present time is precisely improvement of procedures and methods so that they may provide ever more efficient aid to each of our party cells and committees.

If we start with the fact that the rank-and-file organizations have made advances as concerns their operation and internal activity, our attention must essentially be devoted to seeing to it that they strengthen their role and influence in a decisive way, especially with regard to the specific activity engaged in at the jobsite at which they operate and to their appropriate political and ideological effort with the masses. That is, while we should not overlook the levels of development attained in the operation and internal life of our party cells and committees at the jobsites, emphasis must be laid on their handling of economic, production, education, service, etc. problems and on the political education of the workers.

For the successful development of this line of effort, we have to change some conceptions we sometimes have when we analyze and evaluate the work accomplished by the party, especially in the rank-and-file organizations. That is, to determine whether the job done by a cell or committee is good or bad, we cannot base our findings only on a simple appraisal of its performance of the internal duties of a rank-and-file organization, but also one of itself and, above all, we must evaluate the results obtained by the job center in the meeting of its quotas and the management of the rank-and-file organization in connection with this.

When evaluating the activity of a rank-and-file organization, as a rule we have to establish a very close relation between its work and the achievements of the job center in which it is progressing.

As we said earlier, the conditions created by the growth of the party these past few years and its composition have provided the best conditions for moving on to a new phase in the party's work, since in every factory, in every workshop, in every one of the production links party members and applicants for membership are on the spot who must daily and actively work to see to it that specific quotas are met with the required quality and efficiency.

FOOTNOTES

1. A member of the Politburo and the Secretariat of the Central Committee of the Cuban Communist Party.
3. "General Report," Second Cuban Communist Party Congress. Editora Politica, Havana, 1980, p 109.
4. "General Report," First Cuban Communist Party Congress. Published by the Department of Revolutionary Orientation of the Central Committee of the Cuban Communist Party, Havana, 1975, pp 45-46.
5. F. Castro: "Some Problems Concerning the Methods Employed by and the Ways the ORI Operate." OBRA REVOLUCIONARIA, No 10, Havana, 1962, p 27.
6. Resolution "On the Internal Life of the Party." "Resolutions Approved by the Second Cuban Communist Party Congress." Editora Politica, Havana, 1981, pp 14-15.

11,466
CSO: 3010/1820

LIGHT INDUSTRY REPORT TO NATIONAL ASSEMBLY

Havana GRANMA in Spanish 5 Jul 82 p 2

[Summary of the speech delivered to the National People's Assembly by Light Industry Minister Manuel Millares; date and place not specified]

[Text] Comrade Fidel Castro Ruz, chairman of the Councils of State and of Ministers:

Comrade Flavio Bravo Pardo, president of the National People's Assembly:

Comrade deputies:

A report on the activities of the Ministry of Light Industry has been submitted to you for your consideration. The report provides data on our economic performance in 1981 and outlines the main tasks that we undertook that year. But it was not, strictly speaking, a management report. Its main objective was to analyze why the consumer goods produced by the enterprises under our ministry were limited in quantity and quality. We feel that this is the aspect that most interests this assembly.

Thus, we have given broader treatment in the report to matters relating to the production of footwear, textiles, ready-made garments, furniture, mattresses and other consumer goods, because the populace's criticism of our activities centers on these areas. For the sake of brevity, I will succinctly describe our lines of production that serve as inputs for other agencies and enterprises and that truly account for a high percentage of our output value.

I think it only fair to emphasize first of all the efforts put forth by the Revolutionary State during all these years to expand the supply of industrial goods for our people's consumption.

We are a poor country with scant natural resources and, above all, without major known sources of energy that can be tapped under current technological conditions of development. The revolution inherited a country plagued with ignorance, social injustice, unemployment, and hunger, the results of centuries of colonialist and neocolonialist domination.

Major efforts and enormous resources had to put forth to eradicate this backwardness and attain, in a short period of time, the high levels that our people currently enjoy in education, culture, public health, athletics and social security and to guarantee them an adequate diet. Moreover, a wideranging program of industrial development and economic infrastructure has been undertaken, and all of this in the midst of a ferocious blockade and constant military, political and economic aggression by Yankee imperialism. As we can clearly see, priority has been given to these basic and strategic needs.

But there has also been major growth in the production of consumer industrial goods, as the report shows.

Over the past 20 years, the value of the lines of production that the Light Industry Ministry currently puts out, gauged in comparative 1981 prices, has more than tripled. This is equivalent to an average annual growth of five percent.

In per capita terms, the output of the Light Industry Ministry (MINIL) in 1981, in comparison to 1960, is up 68 percent in footwear, up 87 percent in outer garments, up 28 percent in undergarments, up 52 percent in textiles, twice as high in detergents and up 9 percent in toilet soap. In general, we have had increases in all product lines.

At the same time, however, the increase in employment and in the real income of workers, together with cultural development throughout the country, has logically triggered an upswing in demand and a call for a greater variety of higher-quality products.

In spite of the appreciable increase in output, industry has not been able to meet this demand fully and consistently. It is true that there have been and are limitations of resources that objectively affect our enterprises' ability to produce the required amounts of quality goods. Failure to point this out would not be fair to the workers and people in charge at the enterprises and shops that are responsible for these items, who day after day put forth their best efforts to boost output and enhance quality amid unquestioned difficulties because we might give the unrealistic impression that if we resolved the subjective problems plaguing us, we would be in a position to totally meet the potential demand arising from the people's strong buying power.

But it would not be fair and honest of us either if we failed to acknowledge that we still have far to go to make optimum and efficient use of the resources that the State makes available to us. It is a definite fact that by better utilizing available resources we can better meet the people's needs.

Our people understand that these shortcomings are due to real limitations but they are calling on us to eliminate the shortcomings that hinge on our efforts, discipline and exacting standards.

Matters That Have Impaired and Continue to Impair Our Production Activities

The report outlines (critically I think) the matters that have impaired and continue to impair our production activities. In the first place, we have pointed out design and quality problems, which involve the fact that we do not have enough technically skilled designers and patternmakers; that our technical standardization base for raw material and finished product quality control is inadequate, and the existing standards are not observed in many cases; that because of the great instability of the work force and because of violations in training programs, which are hard pressed by output needs, the skill level of many workers is low; that a large part of our technological equipment is old, obsolete and poorly maintained due to a lack of technicians, organization and spare parts; and that in spite of the monitoring and sanctions policy that has been pursued, there are still instances of technological indiscipline and of lapses from an exacting attitude. And all of this is compounded by our limited resources and the unstable supply of raw materials, materials, accessories and containers.

The ministry and its enterprises are taking serious organizational steps to develop and spur design and patternmaking, but we need to be even more aggressive and we have to have the support of the organizations involved to train technical personnel in these activities.

Special efforts are being made to guarantee standardization and metrological conditions and to provide our quality control laboratories with the equipment they need. In this regard, we are getting major help from the State Committee for Standardization. Efforts in quality certification are being spurred, and it is encouraging to note that 22 Light Industry Ministry products with 89 lines received the Circular State Trademark with Quality Approval because their quality indices were equal to or higher than the international average, according to the judgment of an impartial group of high-level specialists, and that certification is in the works in 1982 for another 85 products with 128 lines.

A demanding quality control policy is being more rigorously pursued. In 1981 and in the first quarter of 1982 alone, 652 sanctions were meted out for technological indiscipline or slipups that adversely affected quality.

Traning programs are being expanded, and instructions have gone out to earmark separate production areas, when possible, for worker training. It is significant that so many workers have joined study programs. Almost 27,000 of our worker and student comrades in our specialties are currently in training.

In other words, we are working to resolve some of these problems, but some of the solutions involve lead time, such as training technical personnel with the skills and experience to efficiently carry forward our scheduled development program. At present we do not have enough higher-level technicians even to perform current tasks.

The situation is more acute in some branches, such as footwear, printing and furniture production, in which we have practically no higher-level technicians. We must bear in mind, furthermore, that many of our engineers and technicians have just recently joined our ministry and are therefore in the midst of acquiring the practical training and the experience that they will need to do their jobs properly.

The lack of skilled specialists adversely affects our enterprises in every way: in the design and preparation of models, in the organization of production procedures, in the organization of labor, in production control and in quality control. With the startup of major investment in modern technologies, these requirements have become even more urgent, and we have therefore assigned a large group of the higher-level personnel who recently joined our system to work with these new technologies.

We obviously cannot make major progress in production, quality and the appropriate utilization of our facilities if we do not soon make up for this lack of technical personnel, and we are therefore calling on the Ministries of Education and Higher Education to increase the support they have been giving us in this regard.

We must also enhance our efforts to opportunely attract and train our work force and to give them job stability.

We must take better care of our workers, especially women, who account for 52 percent of the ministry's 90,000 workers. The efforts that we have made in conjunction with the unions have not achieved the expected results. We have yet to surmount a number of difficulties whose resolution demands that a minimum of resources be made available to our enterprises.

At the same time, however, and even in the midst of our current economic difficulties, we must make a special effort to give our enterprises the minimum resources they need to improve the surroundings at a large number of work places. Some 78 percent of our workshops have ventilation problems; lighting is inadequate in 42 percent, and there are high levels of noise and dust in the textile industry and the wood processing industry. We have to increase the supply of ventilators and exhaust fans, of drinking fountains and water coolers and lighting fixtures so that we can gradually implement the plan that we drew up with the National Union for this 5-year period, which is a plan that the country can afford.

Creating better conditions for our workers is not just our responsibility; it also has an effect on productivity and quality.

In direct relation to this issue, we should mention the inadequate condition of many of the buildings that house our industries. Many roofs have leaks, and many floors are in poor shape.

We have set up a brigade to waterproof roofs and we have a program to rebuild floors with our small construction team. But this team

cannot promptly take care of all the pending repairs and the new ones that crop up and it lacks the tools to fix roofs at large installations, in which case we need the support of the Construction Ministry or a loan of the necessary equipment.

In our work plans we have given priority to the expansion of production and the recovery of spare parts and accessories, so as to decrease our dependence on imports and avoid the problems arising from a shortage of them, problems that we are always up against in all our branches, particularly the textile industry.

The parts recovery system that was successfully followed in Alquitex is being expanded, and it will bring sizable foreign exchange savings. In addition, along with textile investment in Santiago and the Wajay, two large engineering plants are being built which, when they are fully operational, should largely meet our need for spare parts for the textile industry and other branches of the ministry.

It is our duty and we are working to this end with the cooperation of other ministries in our country (specifically, basic industry and machine industry) and in the Soviet Union, to develop and train the technicians and the manpower in general who will be running these plants, so that their maximum utilization can be assured as soon as possible. We must also take it upon ourselves to boost the utilization of our parts production shops, which at present work practically only one shift.

Major Investments in the Textile Industry

As far as the immediate development of production lines in light industry is concerned, I should mention first of all the major investments that are being made in the textile industry, which will enable us to more than double the existing capacity at the outset of the past decade. The old textile mills have been modernized, and large new plants are being installed, some of which have been completed. It is true that there have been delays in constructing these projects and in getting them fully operational, but their contributions to production during this 5-year period will be very important for the development of the garment industry, for expanding the supply of clothing available to the population and for export purposes.

The personnel who will be running these large plants are already being trained in Cuba and overseas. The textile industry work force has been increased by almost 3,000 workers in the last 2 years alone, and this does not include the 1,800 who are being trained as workers in the socialist countries.

The heavy investments in the textile industry, plus the incorporation of the Fourth Brigade into the current plants, have placed added stress on the work force, heightening the traditional difficulties that this

industry has had in attracting and retaining its workers. The poor working conditions and environment in some plants have also had their effect in this regard. With full input from other ministries, my ministry is putting the finishing touches on a detailed analysis of the situation so that we can submit a report with recommendations to the government in September.

The greater supply of fabric that we will achieve by expanding textile capacity means that, as a result, we will have to get our garment-making capacity ready to process them. To this end, we have moved ahead with a program to set up new workshops in areas in which a large female work force is available, while taking advantage, in almost all instances, of already existing facilities. After remodeling them and installing the new equipment, the working conditions are good, and little investment has been needed. The first stage of the plan calls for the establishment of 14 workshops, 5 of which have already been inaugurated, with another 6 to be completed in the next few weeks.

We are also negotiating with the USSR for the construction of 5 large workshops, and we have purchased more than 6,000 sewing machines, which we will be receiving during this 5-year period. In addition to the ones that we are installing in the new facilities that I mentioned above, these machines will enable us to replace some of the ones being used in the old shops, so that we can boost productivity there, unclog bottlenecks and enhance the quality of their garments.

We feel that this branch could turn into a major source of exports.

Investments are also on tap in the other branches. We must devote priority attention to the development of the footwear industry and to the updating of its equipment, which has lagged somewhat behind the times.

We are of the opinion that in the near term investment policy in light industry should aim mainly at reoutfitting and modernizing its facilities and, in particular, at developing the support industry, to minimize our dependence on the capitalist market in putting out our production lines. I am talking about expanding the output of buttons, zippers, linings, clasps and metal parts, belts and textile labels, plastic soles, hardware for furniture, molds and dies, parts and accessories, and even the manufacture of equipment for light industry.

In the report we make mention of the need for greater flexibility in consumer goods planning, so that the production and distribution enterprises can adapt more readily to the demands of the market. The issue here is to see to it that the indicators, the methodologies and the procedures for planning, distribution and price setting motivate our enterprises to produce a wider variety of higher-quality goods and by satisfying the consumer to get better prices at the retail level with the same or a lower materials cost. Given our circumstances, of course, it is no easy matter to achieve this goal, which is unquestionably everyone's

business. Given the importance of this matter, we propose that specialists from the Central Planning Board, the State Committees for Supply, Finance and Prices and the Ministries of Domestic Trade and Light Industry study the problem and submit timely recommendations.

Now More Than Ever We Need Top Efficiency In Resource Utilization

Comrade Deputies:

We are submitting this report during a time of serious and sustained economic crisis for capitalism. The international economic situation is extremely critical, and it has been deteriorating at an accelerating pace in recent years, aggravated by the aggressive, fascist policies of the United States Government.

The world market is unstable, with high unemployment, high interest rates and inflation all at once. Economics and trade are being used more than ever as a weapon to blackmail the poor countries. Commerce is more unbalanced than ever. This situation, from which no country in the world can escape, hits the underdeveloped countries the hardest. As part of this world, Cuba has also been hard hit, and as I have told you here, our economic situation is unfavorable, which has forced us to pare back our development plans and consumption levels.

Light industry, which requires sizable outlays in convertible currency, both as an essential component for its production lines and to enhance their appearance, has seen a reduction in its supply of such raw materials and inputs, which has adversely affected output and, more significantly, several basic lines such as footwear. We must spur on our policy of light industry self-financing by maximizing exports, and at the same time hasten the replacement of capitalist inputs with ones that we can obtain in the socialist countries and by expanding domestic production.

These solutions, though they are promising, do not bear fruit right away, however, and therefore now more than ever all workers in light industry must make optimum use of our resources. We have to make maximum use of what we have and eliminate the slipups, carelessness and shoddy work that spoil and wear out the resources we use, and we must cut down on waste, utilizing the scrap material that cannot be avoided for marginal production lines.

The workers in light industry are determined to wage this battle for our economy, just as they are ready to fight whatever battles are necessary, weapons in hand, to defend the revolution until a final victory over imperialism. The overwhelming majority of our work force is battle-hardened, proletarian and revolutionary; they are committed to our production goals for the material goods that the country needs.

Among our ranks are humble workers and leaders, people with revolutionary integrity, true heroes of production, as they have demonstrated in

their daily work and by the way that they have coped with all of our difficulties, including (as all our people did) the recent bad weather. Marching at their head are the 27 National Heroes of Labor and Vanguards, along with thousands of outstanding workers and the members of the 9 Seven-Figure Brigades who represented us in the cane-cutting during the recent harvest.

It is for this reason that we can confidently tell this assembly that not only have we made progress over the past 20 years, but we will continue to make progress even amid our difficulties and despite the temporary stumbling blocks we might encounter.

To this end we have strong unions, the backing and enthusiasm of the Federation of Cuban Women and Communist Youth, and the guidance and help of the party. And above all, for our victory we have the leadership, teachings and example of our commander in chief.

Thank you very much.

8743

CSO: 3010/1929

BRIEFS

MATANZAS WATER SYSTEM--The water used by the refinery, distillery, yeast plant and the caramel and rum plants of the Jose Antonio Echeverria enterprise goes through underground pipes 1,300 meters long, from the aqueduct itself located in the heart of the city of Cardenas. The aqueduct is the site of water fountains, flowerbeds, green lawns and smooth stepping stones reminiscent of our colonial streets. Everything is exquisitely well-preserved. The surrounding walls bear murals depicting a series of silhouettes. One sees two contrasting scenes reproducing the sugar production and harvesting process under capitalism and under socialism, plus the final destination of that production: the skyscrapers of New York before; the map of the world now. But the most attractive element is the underground tunnel with front steps, iron railings and polished walkway. Inside one can see stuffed animals, miniatures, curious niches with fish and even a tiny waterfall emerging from the tunnel rocks. One day, this unusual aqueduct may exhaust its waters or cease functioning for other considerations. But for the time being, it is a magnificent place to visit for anyone seeking spiritual enrichment. [By Andres Rodriguez] [Text] [Havana BOHEMIA in Spanish 2 Jul 82 p 32] 11,464

ECONOMY, DEFENSE EVALUATED--Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba [PCC], made the closing speech last night at the Fifth PCC Central Committee Plenum. The plenum sat all day yesterday under his chairmanship. The plenum heard a report on our party's activities since the second congress in December 1980 to date. The plenum made an evaluation of the tasks carried out so far in the current 5-year period and of our country's economic situation at present. The PCC's activities in the international sphere and in the fulfillment of plans developed to strengthen the country's defensive capacity were also analyzed. [Text] [FL171215 Havana Domestic Service in Spanish 1132 GMT 17 Jul 82]

RECREATIONAL CAMP OPENED--Yesterday, ceremonies and recreational activities were held in all 14 provinces and in the special municipality of the Isle of Youth to celebrate children's day. In Holguin, army Gen Raul Castro, second secretary of the party and FAR minister, inaugurated the province's first recreational training camp in the municipality Rafael Freire. Accompanied by alternate politburo members Div Gen Sixto Batista Santana and Miguel Cano Blanco, first secretary of the party in the province, Raul toured the center's installations in (El Esteros) Beach near Guarda La Vaca. [passage omitted] [Excerpt] [FL191240 Havana Domestic Service in Spanish 1000 GMT 19 Jul 82]

CUBA MARKS SANDINIST ANNIVERSARY--Politburo member and Justice Minister Osvaldo Dorticos Torrado has presided over the national ceremony marking the third anniversary of the Sandinist revolutionary victory in Nicaragua at the Jose Marti Iron and Steel Enterprise. Speaking at the ceremony, Hector Rodriguez LLompart, central committee member and minister-president of the state committee for economic cooperation, stressed the importance of the Sandinist victory and praised the path taken by the Nicaraguan people thanks to that popular triumph. Alejandro Castillo, Nicaragua's charge d'affaires in Cuba, also attended the ceremony. [Text] [FL201130 Havana Domestic Service in Spanish 1000 GMT 20 Jul 82 FL]

RAUL CASTRO OPENS CENTER--Army Gen Raul Castro, second secretary of the party and FAR minister, has inaugurated a pioneer scouting center in the Santiago de Cuba municipality of Segundo Frente as part of the activities taking place all over the island in honor of children's day. Accompanied by Jose Ramon Balaguer, central committee member and first secretary of the party in the province, Raul toured the center. [Excerpt] [FL201130 Havana Domestic Service in Spanish 1000 GMT 20 Jul 82 FL]

CSO: 3010/1986

SOME 200 LAND TITLES DISTRIBUTED IN USULUTAN

San Salvador EL MUNDO in Spanish 4 Jun 82 p 3

[Text] Some 200 land titles were granted yesterday in 18 communities in the Usulután district to farmers who had been working the land as tenant farmers or renters.

The event took place in Military Detachment No 6 and was presided over by the president of the country, Alvaro Magana, accompanied by Gen Jose Guillermo Garcia, minister of defense and Col Rafael Flores Lima, general chief of staff of the armed forces. Also accompanying the leader were Gen Eugenio Vides Casanova, director general of the National Guard; Engineer Miguel Muyshondt Yudice, minister of agriculture and livestock; Jose Roberto Larreynaga, president of FINATA and representatives of AID.

As he spoke to the farmers, General Garcia gave them this reminder: "Justice does not triumph alone; soldiers will always be needed to fight for it."

The minister added that the granting of land titles is an example of the support of farmers by the army in order to preserve justice and to continue the features of the program proposed on the 15th of October, 1979 for those who did not give in to people who do not understand. "Because of that," he emphasized, "you deserve the recognition of the people and the army."

Representatives of ACOPAI [Cooperative Associations of Integrated Agricultural Production] who came to observe and to lend their support to the event, held a brief interview with President Magana to express their concern about some misunderstandings regarding Decree 207. He gave them assurances that agrarian reform would be continued and that therefore, land titles would continue to be negotiated in accordance with the Constituent Assembly. He also offered to give them information on the facilitation of credit necessary to promote the various crops for the 1982 harvest.

9787

CSO: 3010/1849

TEXT OF AUTHENTIC INTERPRETATION OF DECREE NO 6

San Salvador LA PRENSA GRAFICA in Spanish 14 Jun 82 p 42

[Text] Acting on the initiative of the president of the country, Dr Alvaro Magana, through the minister of agriculture and livestock, Engineer Miguel Muyschondt Yudice, an authentic interpretation of Legislative Decree No 6 was submitted for approval which temporarily suspends the effects of Decree 207.

The text of the authentic interpretation follows: "The interpretation in question is to be understood in the light of acquired rights and that the beneficiaries reserve these rights as set forth clearly in the aforementioned Decree No 6, the second article of which states: "Art 2. When this decree takes effect, the acquired rights of the beneficiaries under Decree 207 will be recognized and the application of these rights will be stipulated in the respective by-laws."

Spokesmen for the Constituent Assembly affirmed that the aforementioned temporary suspension will not in any way affect the agrarian reform process and that this process and the nationalization of the bank and of foreign trade will continue forward as stipulated in Decree 3 of the Assembly.

The spokesmen explained that Decree No 6 was approved by the assembly at the initiative of the president of the country, who sent the corresponding draft and at whose initiative the aforementioned interpretation is also approved as follows:

Decree: the Constituent Assembly of the Republic of El Salvador, whereas:

I--On 18 May of this year, this Constituent Assembly issued Decree No 6 by which it was established that the leasing of land designed for the growing of cotton, sugar cane, grains and the raising of livestock would not be subject to the regulations set forth in Decree No 207 of the Governmental Revolutionary Assembly on 28 April, 1980, while the current growing cycle is in progress in order to honor the rights deriving from such leases.

II--That it is also stipulated that when Decree 6 takes effect, the acquired rights of the beneficiaries under Decree No 207 will be recognized and the application of these rights will be set forth in the respective by-laws.

III--That in order to avoid confusion or ambiguity of interpretation and also to insure compliance with the stipulations of Decree 207 and to fully guarantee to the beneficiaries the enjoyment of their rights deriving from it, it is proper to strictly clarify what is understood by acquired rights.

Therefore, by virtue of the legislative powers granted by Constituent Decree No 3 of 26 April of this year in the Official Gazette No 75, volume 275 of the same date and at the initiative of the president of the country, through the minister of agriculture and livestock:

Decree: Art 1. Let Decree No 6 of 18 May of this year, published in the Official Gazette No 94, volume 275 on the 24th of that same month, be interpreted authentically in the sense that in carrying out that decree, acquired rights will be understood as those held by individuals who at the time of its effective date:

a) have already received their title deed from FINATA; b) have already presented their applications for title deed to FINATA, although they have not yet received a favorable reply as to an extension and; c) for some reason, have not yet presented their application for title deed to FINATA but on the effective date of the Decree, the subject of this interpretation, were in possession of the land to which they are attempting to obtain title.

Art 2. This decree is understood to be incorporated into the text of Decree 6 of 18 May of this year.

Art 3. This decree will take effect on the date of its publication in the Official Gazette.

9787

CSO: 3010/1849

FOREIGN TRADE MINISTER FOR FREE ENTERPRISE SYSTEM

San Salvador EL MUNDO in Spanish 15 May 82 p 13

[Text] At a meeting with department personnel at which they defined their working philosophy, Minister of Foreign Trade Engineer Jose Benedicto Morataya and Under Secretary Dr Jorge Ernesto Recinos reaffirmed their faith in the free enterprise system as the only means of achieving economic recovery in El Salvador, and they stated that they will be taking definite steps in that direction.

They added that they have taken up their posts according to the wishes of the Salvadoran people who on 28 March, cast their votes for liberty and peace, and they also indicated that the new administration will develop working programs based on the policy of national unity but always keeping in mind the benefits to the general public.

Minister Morataya also mentioned that the tasks which have been undertaken will require a real team effort, and he asked the employees to identify with that idea so that the Ministry of Foreign Trade can operate as a working unit with efficiency and patriotism. He told the employees, "Each of you must have faith in us and do a better job than ever before. We will cooperate with you so that our end results will be concrete, honest and valuable ones for the prosperity of our country."

Both officials indicated that one of their most important goals is the promotion and diversification of new export items, as well as obtaining more extensive markets for Salvadoran products. Under Secretary Recinos declared that the cooperation of private enterprise will be indispensable in the successful culmination of their efforts in the development of exports.

They also reported that the free zone will be reactivated, based on the good results it has produced, especially in generating considerable employment for Salvadoran workers.

They further stated that the present Export Promotion Law has become obsolete, and that they will sponsor a study to bring it up to date and to obtain better benefits for the sectors covered by it. They concluded by telling the employees that under their administration, there will be a new open-door policy and that employees are free to approach them to discuss their work-related problems as well as their personal ones.

9787

CSO: 3010/1849

BRIEFS

MAGANA ON SUSPENSION OF 207--San Salvador, 4 Jun--The provisional president of El Salvador, Dr Alvaro Magana, insisted yesterday afternoon that there has been a misunderstanding with respect to the temporary suspension of Decree 207, and that the agrarian reform process is moving forward. The leader was slightly accosted by newspapermen as he arrived at the legislative palace to ratify in plenary session his request for permission to visit Central America and Panama. Dr Magana said that the misunderstanding was caused by a position taken by U.S. congressmen regarding the suspension or reduction of economic and military aid, and that they had specifically asked about it. "I believe that everything is clarified now," said Magana yesterday, "and evidence of that is that today, Thursday, I was in Usulután granting land titles, a fact which indicates that the program is continuing at a high level." He concluded the discussion of the topic by stating that in the next few days, FINATA will grant other titles. Referring to his trip to Honduras, the provisional president said that its purpose is in regard to matters concerning the Central American Community, initially subscribed to by El Salvador, Honduras and Costa Rica. He was asked if the trip had to do with the entrance of Guatemala and Nicaragua into the Community. He replied that the process could not be rushed, and that the essential thing is contact with the governments of the area. [Text] [San Salvador EL MUNDO in Spanish 4 Jun 82 p 3] 9787

CSO: 3010/1849

ADVANTAGES OF EXCHANGE SYSTEM DECENTRALIZATION REPORTED

Guatemala DIARIO DE CENTROAMERICA in Spanish 7 Jun 82 p 2

[Text] The advantages and basic characteristics of the process to make emergency transfer of capital more flexible, a process which will begin on 7 June 1982 with administrative decentralization of operations relating to authorization of foreign exchange, were revealed during a press conference granted by the authorities of the Bank of Guatemala in the meeting room of the Monetary Board.

Meeting with correspondents of the international news agencies and reporters from the domestic media were Jorge Gonzalez del Valle and Armando Gonzalez Campo, president and vice president of the Bank of Guatemala; Guillermo E. Matta O., manager; Marco Antonio Aparicio, assistant manager; and Hugo Quinto, director of the Exchange Department.

Gonzalez del Valle began by stressing that it was not a liberalization of the controls on foreign exchange, but rather an effort toward greater flexibility, the first stage of which is the administrative decentralization of the exchange system. Beginning today, the banks in the system will operate directly with foreign exchange users in the authorization of those funds. Until now, such operations were carried out only in the central offices of the Bank of Guatemala.

The official explained that as a result of recent events on the international level, Guatemala has not yet secured enough resources to allow liberalization of the control on foreign exchange. He gave as an example the war in the South Atlantic, which has had negative effects on the countries of Latin America. He added that, although Guatemala is not involved directly in the undeclared war between Great Britain and Argentina for sovereignty of the Malvinas, the problem had repercussions anyhow. The war made it difficult to secure immediate financing from abroad, in addition to all the other international financial economic, and political events.

Nevertheless the president of the Bank of Guatemala expressed a cautious optimism that the economic situation of the country will improve during the coming months. He said that, starting in July, the rate of payments abroad might increase as balance of payments conditions improve. Those conditions are expected to become better during the second half of this year.

Characteristics

Then Matta O. touched briefly on the main characteristics and advantages of the first stage of the process to make the exchange system more flexible, beginning today:

- a.) Complete decentralization of the payment operations for imports from the other countries of Central America.
- b.) Complete decentralization of the procedures for immediate withdrawal of goods from Customs, upon presentation of the import forms and shipping documents to the system banks.
- c.) Decentralization of authorization to obtain foreign currency to pay for imports from the rest of the world.

The manager of the Bank of Guatemala added that this greater flexibility will allow private banks to increase and improve service to their clients, and importers will be able to do their business more promptly.

He noted that an order of priorities, related to the country's needs, will still be applied for authorization of foreign exchange.

On another matter, in response to a question from a reporter, Matta stated that the Bank of Guatemala has not received any demand from a foreign bank for payment of interest or principal or a loan granted to Guatemalan Highway Department (DAG) an intervened company, but that under a compromise reached by the Ministry of Public Finance, the bank will pay its debts on demand.

Questions and Answers

The journalists questioned the bank authorities. Answering one question, the president of the Bank of Guatemala admitted that the assistant manager of the Foreign Operations Section, Miguel Angel Gonzalez, appeared in court to testify about his actions in a bank operation carried out at the request of an official agency.

First, Gonzalez del Valle said that bank functions could only take place with absolute confidence in the personnel. In that sense, the Bank of Guatemala is demanding in its selection of personnel, requiring loyalty, competency, and honesty.

Mr Gonzalez, as an officer, signed his authorization to a letter of credit, as any other officer might do as part of his duty. After testifying in court, the assistant manager of the Foreign Operations Section returned to his duties, with the full confidence of the Bank of Guatemala authorities, since he acted within proper limits and his ability in the post has been proven during the 15 years Mr Gonzalez has worked in the institution.

Gonzalez del Valle said that a similar situation might occur with another bank officer, and that the institution has every intention of cooperating with the law in clarifying any operation under investigation.

Replying to another question, the president of the Bank of Guatemala stressed that he is maintaining contact with the private sector, especially in the Chamber of Industry, in order to consider appropriate steps to make the other countries of Central America pay their debts to Guatemalan companies for exports made through the regional common market. He gave assurances that they are fully confident the debts will be paid, and a payment plan based on the financial capacities of the countries in the area is now under study.

In response to another question, Gonzalez del Valle admitted that it is difficult to achieve repatriation of the nation's capital, particularly when the identity of those who carried out those operations is unknown, and the foreign banks have not established where the capital is deposited.

The president of the Bank of Guatemala and other officials replied fully to other questions that were asked.

8587

CS0: 3010/1812

CHRISTIANS IN EXILE SCORE U.S. EVANGELICAL CHURCH

Mexico City EXCELSIOR in Spanish 15 Jun 82 p 33-A

[Text] The organizations called Guatemalan Christians in Exile (CGE) yesterday accused the United States Protestant sect the Fundamentalist Church of the Word--of which Guatemalan president Gen Efraim Rios Montt is an active member--of planning an "ideological, cultural, and religious invasion" of their country.

The sects' goals are: to deform the cultural and historical bases of the natives of Guatemala, to present post-Vatican II Catholicism as "a danger to national stability," and to make religion "a simple ceremonial cult unrelated to reality" according to the CGE.

"The fundamentalists profess the now-obsolete doctrine of the divine origin of kings--now the presidents, of course--to which one naturally owes absolute obedience.

"It has become known in U.S. religious circles," the CGE states, "that Gen Rios Montt has asked that missionaries be sent to Guatemala to 'evangelize' the natives, especially in El Quiche, an area where Catholic priests have been murdered and some exiled, including the bishop, Mons Juan Gerardi Conedera, who is now living in Costa Rica.

"The invading religious movement is under the auspices of the U.S. Central Intelligence Agency (CIA)," the CGE adds.

"The cross, dollars, and guns are the current weapons imperialism is using in the quest of Latin America. In the particular case of Guatemala, Washington haggles with them over dollars and guns, but in exchange offers them the fundamentalist cross. The dollars and guns will come later if the U.S. Congress bows to the wishes of President Reagan," the CGE concludes.

The charges by the Guatemalan Christians in Exile coincide with recent reports in THE NEW YORK TIMES about projects by the Fundamentalist Church in that Central American country.

8587

CSO: 3010/1812

ANACAFE SAYS COFFEE GROWERS UNDERGOING SERIOUS CRISIS

Guatemala City EL IMPARCIAL in Spanish 10 Jun 82, pp 1, 7

[Text] The coffee sector in Guatemala's economy is facing a serious technical and economic-financial crisis due to structural and circumstantial factors in our country and abroad.

This was announced by the National Coffee Association (ANACAFE), which said that national production has been a decisive factor in the socio-economic growth and development of the country. During the past century it has been the main productive sector of the nation's economy.

In fact coffee has generated the majority of foreign exchange for the country and contributed more than other economic sectors toward financing the country's general budget, as well as other institutions, such as the Social Security Institute of Guatemala, and the municipalities through the payment of taxes.

There are about 50,000 small, medium and large-scale coffee producers in the nation, including 53 organized cooperatives among the small-scale producers.

High Costs

Production costs have risen sharply according to ANACAFE figures. In March 1980 the Ministry of Agriculture, together with the National Coffee Growing Commission, set an official price of 85.45 quetzals. The cost has risen due to an addition in the revenue stamp, agreements on fungicides, insecticides, and fertilizers.

Costs also increased because of Coffee Rust, as well as the tremendous losses due to sabotage.

Instability

To all the foregoing factors we must add the international coffee prices, which dropped considerably, according to ANACAFE.

These prices are mainly dependent on the volume of world production in relation to consumption, as well as fluctuations on the stock market, speculations on frost, drought, and so forth.

Besides all that, the International Coffee Organization (OIC) established quotas based on a quarterly distribution system in accordance with the average harvest of each producer for the past 5 years. Under this system, each producer can only export half his production, and the country has a surplus of a million quintals.

All this means that coffee-growing as a whole is facing a serious financial crisis which, if an appropriate economic policy is not put into effect, will soon lead to abandonment of coffee production.

Solutions

ANACAFE indicates that solutions might include immediate implementation of an economic policy that includes decisions and actions relating to bank credit and taxes.

Therefore they feel that the government has made the correct decision in creating a guaranty fund for agriculture, so that the banks can serve the needs of their agricultural clients.

But this measure will not work for the coffee grower if regulations which disregard the crisis are applied--regulations which are not flexible enough to obtain bank credit assistance necessary to face the grave situation.

On the international level, efforts to improve Guatemala's situation will be made in the next round of talks, scheduled to begin in London, to evaluate the agreement between producer and consumer nations within the OIC, with the goal of renegotiating it.

Through a joint effort by Guatemala and El Salvador, a bloc of countries producing the so-called "smooth central" coffees has been formed. Other bloc members are Honduras, Nicaragua, Costa Rica, the Dominican Republic, and Mexico.

The goal is to jointly renegotiate the agreement to take account of the crisis in these countries, to reduce restrictions on sales on the international market.

Members of ANACAFE attended the conference, headed by the organization's president, architect Ramon Alvarez Campollo, and the representative to the OIC, Rene Montes.

8587

CSO: 3010/1812

MANLEY CALLS COUNTRY REAGAN'S YO-YO

FL241259 Bridgetown ADVOCATE-NEWS in English 21 Jul 82 p 3

[Text] Kingston, Jamaica, 20 Jul (CANA)--If the Jamaica Government decides to ban American-born singer-actor Harry Belafonte from entering the country for allegedly interfering in the island's political affairs, U.S. President Ronald Reagan should also be declared persona non grata, the opposition leader, Michael Manley said here.

A government member of parliament, Edwin Allen, has tabled a motion in the house of representatives calling on the government to declare Belafonte an unwanted visitor because of a speech he made here during a function at which Jamaican singer Jimmy Cliff received the Norman Manley award for excellence.

Mr Manley claimed President Reagan had lied about Jamaica and added: "If Belafonte is to be declared persona non grata, President Reagan should be likewise."

Belafonte, of Jamaican parentage, claimed that the Canadian Broadcasting Corporation (CBC) was prevented from completing a film here featuring the culture of Jamaica in which he is the star.

The film was started in 1980 during the period of the former Manley government. The present government has denied this allegation.

Mr Belafonte also said that Jamaica should be careful in its dealings with the U.S. Jamaica, he said, was now to be the new pawn in the U.S. foreign policy programme.

"In every respect, the man told us the truth," Mr Manley told a conference of the women's arm of his People's National Party (PNP).

He questioned the reasons for the move to ban Mr Belafonte and not Mr Reagan, whom he claimed had lied about Jamaica.

"He lied about Jamaica in Washington, he lied about Jamaica in Jamaica, he lied about Jamaica in Barbados," the opposition leader said.

The reference was to remarks by President Reagan, earlier this year, that Mr Seaga was making freedom work again in Jamaica and that Jamaica's prime minister, Edward Seaga, has saved the island from communism.

Mr Manley also criticised the government for its near two-year performance, pointing to the problems being faced by the farmers, the closure and reduced output of factories, problems with the public utilities, and the shutdown of a number of hotels in recent weeks.

Mr Manley claimed that the country was in a "state of confusion and chaos," there was "nobody in Jamaica heaven or earth who could say we did it." He added that Jamaica had become the yo-yo of President Reagan and the International Monetary Fund (IMF).

He accused the Jamaica Government of having its priorities wrong when it boasted about exceeding IMF schedules for debt payments while people here met hardships.

This, he said, left little money to spend on things such as utilities, adding "the money is not here. It is then--ahead of schedule."

CSO: 3025/1130

SELF-SUFFICIENCY IN WHEAT PRODUCTION PREDICTED FOR 1982

Mexico City EXCELSIOR in Spanish 23 Jun 82 pp 4-A, 27-A

[Article by Carlos Canton Zetina]

[Text] Acapulco, Gro., 22 Jun --After more than 10 years of being an importer of wheat, "Mexico will easily recover in 1982 self-sufficiency in producing this essential grain, since a production greater than 4 million tons is expected," stated today Abelardo Amaya Brondo, under secretary of agriculture.

"We will obtain a harvest greater than that predicted in the national agricultural plan for this year, which forecast a production of 3,900,000 tons against 3,100,000 in 1981.

Amaya Brondo was optimistic about agricultural yields for this year, as a result of the coming rains.

He explained that the rainy season has practically started in most regions of the country, and it is expected to become generalized in the next 20 days. "The outlook is good and encouraging," he emphasized.

Interviewed during the eighth ministerial meeting of the World Food Council, a body of the UN, which is being held in Acapulco and which is being attended by ministers and vice ministers of 36 countries, Amaya Brondo reported that 20 million hectares were planted in the spring-summer cycle. Of this surface, 5,600,000 hectares are farmed in irrigation districts and the rest in rainy season districts.

The possibilities of obtaining substantial harvests in the irrigated areas are certain, and, therefore, there is confidence about achieving self-sufficiency in wheat production, which was lost in the past decade.

Greater Production in Rainy Season Areas

Amaya Brondo described as "very interesting" the increase in production that is expected in the rainy season areas, which the federal government has supported with laws and programs, as well as with input--mainly fertilizers --and sufficient technology.

He recalled that the corn yield per hectare is about 2.1 tons, which "is acceptable, although unquestionably it must be surpassed little by little." Unusually, he said, in regions like Chiapas, the yield has already reached up to 6 tons per hectare, on rainy season land.

Concerning the harvest of essential foodstuffs for this year, Amaya Brondo said that the outlook is good, although it depends on the rain becoming regularized. The rains have to increase between now and 15 July in zones such as the north of Mexico--above all, in the states of Sonora and Chihuahua --, where there has not been regular rainfall.

Amaya Brondo admitted that if in the above-mentioned region rainfall does not become generalized in the coming days, a substantial volume of essential grains could be lost.

Amaya Brondo, an official of the SARH [Secretariat of Agriculture and Water Resources], declared himself in favor of maintaining the policy of "parallel" production in the rainy season and irrigation areas, with different technology in each one, but within the same organization and purpose.

Regarding the stories about establishing a Forestry and Animal Life Department outside of the SARH, Amaya Brondo suggested that this is not a good idea.

9545

CSO: 3010/1839

BRIEFS

PEMEX EMPLOYMENT CUTBACK--Reynosa, Tam., 14 Jun. Three thousand temporary workers of Mexican Petroleum lost their jobs this month, and 1000 factory workers were suspended temporarily, because 50 percent of the drilling, repairing and completion of well teams was halted. [Excerpt] [Mexico City NOVEDADES in Spanish 15 Jun 82 p 1] 9545

PEASANTS OCCUPY FARM LAND--Ciudad Obregon, Son., 25 Jun--Agricultural block 727 in the Yaqui Valley, which is the property of the Calles family, was invaded by 113 peasants with tractors and planting equipment. They state that this land was given to them by a presidential resolution in 1978. The peasants had invaded the same estate in Ejido de Chumanpaco last May, but they were evicted and brought to the police station in Guamuchil in order to submit them to the authorities. This time the invaders presented some support, and explained that the presidential resolution points out that 877 hectares are affected and that only 578 hectares have been handed over to them. They blamed the SRA [Secretariat of Agrarian Reform] for this situation. At the same time they stated that, "nobody will be able to remove us from the estate that the Calles family is holding unlawfully." [Article by Francisco Santacruz] [Text] [Mexico City EXCELSIOR in Spanish 27 Jun 82 p 6 (Part III of Section A)] 9545

MINATITLAN UNEMPLOYED NUMBER 40,000--Minatitlan, Ver., 23 Jun--Forty thousand persons have lost their jobs in Minatitlan during the last 4 months, because of personnel readjustments in industry and the suspension of construction projects, said the president of the local chamber of commerce, Antonio Warren Brunet. Brunet added that local companies prefer to dismiss their workers instead of granting them wage increases. The merchants, he specified, have also discharged their employees because of low sales caused by price rises in products. The situation, he emphasized, has been complicated because banks have suspended credits to companies, and the latter cannot sustain their rate of production. Brunet indicated that the petroleum complexes of Cangrejera, Pajaritos and Morelos have dismissed thousands of workers in recent months. [Article by Gonzalo Russell] [Excerpts] [Mexico City EXCELSIOR in Spanish 24 Jun 82 p 29-A]

9545

CSO: 3010/1839

BORGE SCORES U.S. POLICY, SUPPORTS PALESTINIANS

Managua EL NUEVO DIARIO in Spanish 25 Jun 82 pp 1, 6, 11

[Excerpts] Commander Tomas Borge Martinez, speaking in Matagalpa, said that Carlos Fonseca was like a long, luminous shadow that lives on in all the policies and programs of the revolution. He challenged his listeners to "be faithful to his work and his name and to adopt the inheritance of his revolutionary humility."

Appearing at the principal ceremony celebrating the 46th anniversary of the birth of the late commander in chief of the Sandinist National Liberation Front, Carlos Fonseca, Commander Borge spoke before thousands of Matagalpans. His speech is printed below in its entirety.

"We said once that Carlos was like a long, luminous shadow that watches over and protects us in order to enjoy our recently acquired smiles; that Carlos encouraged us with his hands, broad as lanterns and long as machetes, at the moment of difficult responses; that Carlos had accompanied us along the long road of struggle of this heroic people that was weary of the anguish of exploitation, that combatted the sacking of our resources, that was present, not only at the founding of the Sandinist Front but also in the guerrilla camps, in the darkness of our clandestine houses, whose invisible endorsement was stronger and deeper than any other when we told the world that Sandinist unity was the first step in delivering the sun, the land, and the future to a people that had won for itself the right to be the architect and master of a new history.

"But new difficulties are approaching. The implacable burden of the unfair exchange between our poor countries and the wealthy capitalist countries which have prospered from the sweat of our workers has brought all the peoples of the Third World, among them Nicaragua, to an unbearable economic crisis. Some of our neighbors have fallen into an unstoppable inflationary situation. The prices of articles of mass consumption have risen to astronomical levels throughout Latin America, particularly in the countries of this continent, while unemployment has grown and wages have fallen. The poor countries of Latin America that do not produce petroleum are struggling for survival over the extremely high prices of this essential product, while at the same time our countries find themselves incapable of meeting the ridiculous prices they ask for their exports and the products they manufacture with better technology and higher quality and send back to our poor countries."

Pressures

"But as if this were not enough, those who control this infernal panorama pressure, threaten, extort, and flatter the poor rulers of these poor countries except us; they do not extort us or frighten us! The imperialists mock international treaties and ignore them, including those of the organizations they themselves created for their own convenience.

"As you all know, the imperialists turned their backs on a Latin American nation in order to support another colonial empire. The best lesson that Latin America has ever learned from the Yankee government, since the appearance of imperialism, is the Malvinas case. The United States invented the Inter-American Mutual Assistance Treaty, known as the Rio Treaty, supposedly to defend the hemisphere against outside aggression, that is, from other continents. It invented the Organization of American States (OAS) as a multinational organization for mutual aid and defense, and when the people of the Dominican Republic rebelled again and rose up in arms, the United States invoked the OAS to 'defend,' they said, the Dominican Republic against 'outside' aggression, and what they were really doing was defending the supremacy of the bourgeoisie against the armed insurrection of the Dominican people. They dragged other governments and armies of Latin America into that and the Somozist National Guard was there."

Cynicism in the Malvinas

"And now, when Great Britain invaded South American territory that belongs to Argentina by historical and geographical inheritance, what do you think the United States did? Did they invoke the Rio Treaty? Did they invoke the OAS? The U.S. Government couldn't care less about the guerrilla and servile governments of this hemisphere, let alone the people. They spoke cynically at the start of the British aggression against Argentine territory about neutrality, and shortly thereafter the American President traveled to London and clearly expressed his support--for Argentina? No, for Great Britain. For the aggressor country, to the amazement and bewilderment of all its allies and servants in Latin America.

"And the United States has interests throughout the world, in Asia, Africa, Europe, the Middle East, and also in Latin America. It has created an organization in Europe called the North Atlantic Treaty Organization (NATO), it maintains close relations with Israel and South Africa, and at the moment when it has to choose between allies, it feels obligated to lean towards the most powerful and to sacrifice even the regional interests in pursuit of its worldwide interests."

Need for Reflection in the Americas

"Thus they mock their poor friends in Latin America and help England with their spy satellites, their electronic interference, their spy planes to defeat the Argentine Armed Forces and help the English with powerful weapons. And what happened then when Great Britain again imposed its colonial will on the Malvinas? The aristocratic lady prime minister of Great Britain said

just yesterday that the British Crown and the United States were holding talks on administering and protecting the Malvinas jointly, and when she was asked how relations with the United States were during the conflict, the lady I mentioned, the aristocratic woman with blue blood, Mrs Thatcher, answered, 'Marvelous, beautiful,' [in English], that is, relations between England and the United States were marvelous, beautiful! We will see how relations between our peoples of Latin America and the American government are going to be from now on! We will see! (Applause) They are not going to be very 'beautiful' [English] (Laughter) We would have had to renounce the shame of being Latin Americans in order to continue to be servile toward the Yankees. I hope the representatives of the governments of Latin America will reflect and realize that there are worthy peoples here, that there are worthy nations here who are not going to continue to dance to the tune of the Yankee imperialists.

"And so, we ask, what is the famous OAS for? What use is the Rio Treaty? What use are those rhetorical, infamous and useless treaties which were only created to be used against our peoples?"

Approaching Difficulties

"I have said that new difficulties are on their way, and all I have just said comprises a part of these difficulties.

"Nowhere on the horizon can one see the possibility of a change in unjust economic relationships between our countries and the developed capitalists. There is no hope that there could be a change in the aggressive attitude of imperialism toward Central America and the Caribbean, in particular, Nicaragua. On the contrary, economic relations are ever more unjust and imperialism is even more aggressive and if that is hard to believe, look at the example of Lebanon."

Lebanon: Genocide

"What is happening in Lebanon is one of the worst crimes that has been committed in recent times. Genocide against the Arab peoples, especially against the Palestinian people; it can only be compared with the Hitlerian genocide!

"And what is the American government going? They said they did not support Argentina--how cynical--in its struggle for the Malvinas because Argentina had taken the military initiative, but nevertheless, they support the Zionist government of Israel, and openly, when this criminal government not only took the military initiative but has unleashed one of the most indescribable, most brutal, most savage aggressions of recent times. All this shows that the present American government has indisputably won the world championship for ignoble and unjust causes.

"Is not the aggression against the Arab and Palestinian peoples perchance an experiment prior to attacking our Central American countries later with impunity? Are they not trying to test the indignation that actions of this nature provoke throughout the world? What is the purpose of this brutal aggression?"

"They have found a country, because Israel was created by the United States, but they did not found a country but a gigantic military base, and the inhabitants of that country are the soldiers of that military base. They armed them to the teeth, they armed them with hate, with sophisticated weapons, for the purpose of liquidating the Palestine National Liberation Movement, and they want to liquidate the national liberation movements of the world once and for all. But the Israeli Zionists have had over 6,000 casualties in the last few days, and perhaps, once and for all the Arab peoples will rise up to fight, and if all of us peoples of the world rise up to fight, perhaps the complete liberation of the heroic Palestinian people will be realized once and for all, and not only its liberation from brutal and savage Zionism but from Yankee imperialism too."

Solidarity

"Our solidarity with the Palestinian people and the Arab peoples, apart from the fact that it must be a solidarity based on principle, I think in some way it should be seen as solidarity with ourselves. It is amazing that indignation has not erupted in all corners of the earth!

"Indignation that is fully identified, not only against the government of Israel, the basic agent of this genocide, but against the American government, which is as guilty as the Zionist government of the atrocities being committed in the Middle East."

Despite Everything, They Help Us

"And in the midst of its suffering, its tragedy, the Palestinian people have given Nicaraguans a lesson in humanity, in solidarity; and when the rain from the machineguns was attacking the Palestinians, they approached us to offer a donation, as a way of alleviating the suffering of Nicaraguans caused by the rains. While bombs were falling there, solidarity fell into our hands here from our Palestinian brothers. What a beautiful example of brotherhood!

"We are certain that, like us, the Palestinian people will rise from the ashes, stronger, more revolutionary, and braver than ever.

"Comrade Ambassador, on this solemn day, inspired by the memory of our immortal Carlos Fonseca, we express our complete solidarity with the Arab people, with the Palestinian people, and with our friend and brother, Yasser Arafat.

"That is the situation in the world, people of Matagalpa.

"We, as I said, export cheap cotton, and they sell us expensive manufactured clothing. Sometimes we export friendship, and they return aggression. But together with friendship, we export dignity and courage. The peoples of Latin America are the consumers of this principal item of Nicaraguan exports: our dignity, patriotism, and courage."

The Traitors

"Of course, not everyone returns aggression to us. Some countries continue to help us, despite the unpatriotic efforts of the traitors of the nation, who travel around the world exhorting that they isolate us, that they abandon us, that they do not furnish us aid. That is the most important thing they are doing. Traitors! Traitors who are cynical enough to pronounce the sacred names of Sandino and Carlos Fonseca with their traitorous lips. They say now that they are allied with the 'uncontaminated sectors' of the National Guard to combat the Sandinists and with 'honest' Somozists. I would like to ask you, have you ever known a National Guardsman who was not contaminated by crime? Have you ever known an honest Somozist? (The public answers, 'NO!') These men who have gone into exile have found hundreds of National Guardsmen as pure as angels! (Laughter) And dozens of Somozists as clean as doves! (Laughter) And they have joined them, no more and no less, to liberate Nicaragua from totalitarianism, they say. To establish--sometimes they say reestablish, as if there were once such a thing--'democracy.' Here in Nicaragua, here in Matagalpa, in the enormous hearth of Nicaragua, where the bones, the ideas, and the ever alert and immortal eyes of Carlos Fonseca lie, we say to these seekers of angels and doves, and to the angels and doves also, come, we are waiting for you here.

"They will have to face the sons of Sandino, the brothers of Carlos Fonseca, the rifles in the hands of our workers, our peasants, our youth, our women, and even our children.

"Let them come. We are waiting for them here in this enormous cradle called Nicaragua, in this great creche where Carlos was born. But we Matagalpans will have to be generous enough to realize that Carlos belongs to all Nicaraguans."

9015

CSO: 3010/1888

JORGE OLAVARRIA ANALYZES PORT OF SPAIN PROTOCOL

Caracas RESUMEN in Spanish 27 Jun 82 pp 2-8

/Editorial by Jorge Olavarria: "X-ray"/

/Text/ Of all the consequences of the Port of Spain Protocol that could have been foreseen, no one--even the most gifted clairvoyant--could have predicted that the debate at its termination would be such a revealing X-ray of the ethical and intellectual degeneracy of politics this June 1982. Viewed as a whole, the debate in itself and the political arguments reveal, like an X-ray of the body, the existence of a terribly advanced cancer that seems to have atrophied generosity of the heart, diminished the intellectual capacity of the brain, clouded historic vision, blocked the ears to the voice of the country and, in short, reduced the participants to puppets of their own lies. They are victims of their own mistakes which they incur in a contest that does not consist of arguments but mutual accusations with ugly, automatic blackmail: "If you take this from me, I'll take that from you."

The top exponents of this carcinoma generic to the country have been former presidents Rafael Caldera and Carlos Andres Perez. The latter began the "attack," accusing Caldera of the serious mistake of the Port of Spain Protocol. Caldera followed, answering that the Protocol was the result of the serious mistake of the Rupununi incident. Perez replied, insisting on Caldera's historic responsibility for Port of Spain. Caldera again retorted, daring Perez to "reveal" what he had discussed with Burnham in December 1978. In all this "debate" (if it can be called that), not one idea, one positive argument, one well-grounded reason could be found and partisan sectarianism prevailed over the national interest.

Simple confrontation of the historic truth, with the arguments given by the two former presidents, provides a revealing X-ray.

Certainly the Port of Spain Protocol was Rafael Caldera's responsibility. No one can question that. However, those of us who had something to do with that drama and knew some of its ugliest inside secrets could never say that Caldera proceeded in bad faith. It was a mistake, a disgrace, an unnecessary concession of time that favored the one in possession and hurt the claimant. But it was done in good faith. It was not and does not mean infallibility which is unfortunately what Caldera and his followers proclaim and allege today. If 12 years ago it was difficult to allege what was alleged in order to

justify the error, it is impossible today. An objective, calm, impartial analysis of the concrete result of the passage of time, contrasted with what was alleged then to explain and justify it, results in a syllogism of irrefutable logic, a very negative conclusion disproving these alleged reasons and justifications. A refusal to see this could be called bad faith and invoking reasons today designed not to reveal the truth but to recall other mistakes in order to make one's own mistake relative is even worse.

Perez does not lag behind. Perez was secretary general of AD /Democratic Action/ 12 years ago. He, Luis Esteban Rey, Jesus Maria Machin and perhaps Gonzalo Barrios were the only four AD members--the only four!--who viewed the bad move approvingly. Today Perez does not have any moral authority to allege a mistake by Caldera since he was one of those who froze the freeze. The most serious part is that Perez became president in 1974 and AD had the majority in congress. At that time, the Protocol was in the hands of the presidency of the congress held by Gonzalo Barrios. Consequently, they had the power and the prerogatives to submit it to debate, reject it and return at that time to the position we are in today--that is, the procedure of Article IV of the Geneva Agreement. But they did not do this. At that time, the Protocol would have meant a loss of barely 3 years, 3 years more than needed to ask for an accounting from COPEI /Social Christian Party/ and Caldera about the way they used the time to amend the alleged "reasons" given to justify it. But this was not done. The 5 years of the Perez government passed during which he became equally responsible for all that he criticizes today as a "serious mistake."

The really serious thing is that this Caldera-Perez incident has once more revealed that third-class politicking, exacerbated partisanism, is much more important to them than the interests of the republic. It is a very telltale X-ray of the ethical and intellectual level of the political debate in this Venezuela of 1982. Can these men set themselves up as critics of the past and sternly judge Lopez who signed the treaty with Colombia in 1941 or Gil Borges whose obstinacy and blindness led to the catastrophe of the 1922 Swiss ruling? Can these presidents of an oil-rich, millionaire Venezuela censure the obscene passion of those who refused to approve the Pombo-Michelena Treaty in 1830 or set themselves up as judges-censors of Guzman's megalomania, Crespo's mental limitations or Cipriano Castro's provincial arrogance?

Caldera and Perez are both responsible for the Port of Spain Protocol which was publicly interpreted by Burnham, other Guyanese authorities and the entire world as a politically elegant "desistance" of the Venezuelan claim.

The plain truth is that the claim is much more difficult, if not impossible, today because Caldera and Perez made Venezuela lose 12 years. Twelve years! In 12 years, Bolivar went from the disaster of 1814 to Ayacucho. In 12 years, Hitler went from an obscure leader to supreme leader of a country regenerated into his pride. In 12 years, Japan left Hiroshima to become the primary industrial power in the world. In 12 years, Israel declared its independence, erected its state, did the impossible and defeated its enemies. In 12 years, Roosevelt took the United States from stagnation and depression and led it to become the primary power in the world. But in 12 years, the

only thing that Caldera, Perez and Herrera knew how to do was waste a colossal amount of money--the product of oil, not their merits as statesmen or organizers--and become embroiled in a doddering, foolish, petty debate revealing the terrible ethical degeneracy of the Venezuelan partocracy. Let us see what happened in those 12 years.

From Rupununi to Port of Spain

What happened in Rupununi? The complete story of this incident has still not been learned. What has been revealed is that, at the end of December 1968 and the beginning of January 1969, an ethnic group in Guyana--Amerindians (Pemonese and Akawaios)--who lived in the Rupununi region close to the Venezuelan "Gran Sabana" decided to carry out a conspiracy hatched from despair at the mistreatment and discrimination that it suffered from Burnham's racist government. It rebelled. Surely it had received some encouragement from the Venezuelan authorities and the plan, apparently, was to consolidate a rebellion around the town of Lethem, declare itself independent of Guyana and request and obtain annexation to Venezuela before the Georgetown government could react. It must be remembered that there had been elections in Venezuela then and, contrary to what the government thought, the winner was Rafael Caldera who had obtained at least 30,000 more votes than Gonzalo Barrios. Therefore, when the rebellion broke out in Rupununi, Venezuela was in a "transition" period with a lame-duck president, Raul Leoni, who had to hand over the power in March and an elected president, Rafael Caldera, who had no government responsibilities. That was the situation when, at the beginning of January, the Rupununi uprising and its tragic end with murders, mistreatment, torture, confiscation and refugees in Venezuela--those who managed to escape with their lives--was learned of. In his last message of March 1969, Raul Leoni referred to the event with very harsh words for Guyana. He called them "racists" and accused them of genocide "foreign to this continent" against the frustrated rebels.

What was the inside story of this fiasco? It was learned that there was definite aid from Venezuela to the refugees. There was definite, unambiguous pressure from the U.S. ambassador in Caracas and his British colleague, "ordering" the Venezuelan Government not to become involved and warning it very clearly that "they would not tolerate" a change in the "status quo" through rebellion, autonomy and annexation. They know about that and the Spaniards and Mexicans know it better. It was learned that Venezuela gave some support and that the Venezuelan civilian "contact" was a Cuban named Orlando Garcia, today notorious for his role in blowing up a Cuban airplane and his friendship with a Cuban assassin and drug trafficker whom Perez named chief of "counterintelligence" in his DISIP /Directorate of Intelligence and Prevention Services/.

Today, 12 years later, can the Port of Spain be justified by this incident? Objectively, it is impossible. Further, to speak of this incident censuring Venezuelan aid is disgraceful. The rebels had ample justification to rise up against the racist despotism that oppressed them. Consequently, the ethical justifiability of Venezuelan aid outweighs any ignorant sanctimoniousness attempted today against the failure, not the motivation and

justification of the incident. What was censurable about Rupununi was its failure, not the attempt. What was censurable was to make those unfortunate people believe that Venezuela is a serious, organized, efficient country that keeps its word and makes its actions follow its words. Hundreds, perhaps thousands, of Amerindians paid with their lives for their faith that the Venezuelan claim was serious and would not be entangled in political pettiness, civic cowardice, ineptitude and stupidity. Caldera proceeded in bad faith when he tried to justify the mistake of the Protocol with the mistake of Rupununi.

Further, if the "sin" of having helped those credulous unfortunate people is contrasted with the position that Guyana maintained in the Joint Commission since 1966, we find that the Venezuelan "bad faith" of giving encouragement to the racially oppressed Amerindians pales compared to the Guyanese sin of mocking its word given in the 1966 Geneva Agreement. Guyana could be accused of breaking its word, not Venezuela. Nevertheless, Caldera today says that he signed the Protocol because Venezuela's position--"image," as he says--was "hurt" by the Rupununi incident. The Guyanese perfidy, verified by the records of the Joint Commission, is viewed with an "indulgence" that, if it were not a real gaffe to do so, could be attributed to the fact that Aristides Calvani was born in Trinidad and perhaps feels a kindly tolerance for Trinidadians and Guyanese that makes him see the Venezuelan claim as intrinsically unjust.

Was There Consultation? Was There Approval?

The Protocol was a great surprise to the country. The country was not consulted, not even the officials closely tied to the problem. Perhaps a technique of "consultation" very similar to the one that produced the disaster of the Caraballeda "hypothesis"--consultation about one thing and another thing done--was used.

Garcia Bustillos, a distinguished internationalist, coauthor of the Geneva Agreement and a member of the Joint Commission from 1966 until its end, learned of its text when Calvani told him that he signed it in Trinidad. "I am a party man," he told me. He was crestfallen and sad when I asked him about it when he was summoned to the Foreign Policy Committee in June 1970. Jose Antonio Perez Diaz, president of the National Congress, was not consulted. Even more serious, Raul Leoni, former president of the republic who has the credit that no one can take away from him of having signed the Geneva Agreement after the broadest national consultation and of naming a COPEI member and an independent as our representatives to the Joint Commission, was telephoned by Calvani from the airport. He was informed in that disrespectful way that a protocol that suspended the claim for 12 years and froze the procedure of Article IV would be signed. Leoni himself told me this in the presence of Manuel Mantilla and Reinaldo Leandro Mora who are alive and can swear to it. Today, 12 years later, how can it be said that it was a step preceded by a "broad national consultation"? That implies that there was a consensus which was not correct and, in any case, was not proportional to the seriousness of the step taken!

The truth is that its traumatic birth was followed by some disconcerting spasms. Caldera stated on television on one of his Thursdays that the Protocol was imperative due to the mechanism of the Geneva Agreement; this is technically false and inexact. If the argument that our "image" was very bad because of Rupununi is accepted, the procedural gap in the Geneva Agreement that does not establish a period at the end of the third month for the discovery of the "means" and the next step--the search for an "appropriate international organism"--provided the opportunity to gain the time believed indispensable.

However, everything does not end there. Sent to congress as an approbatory bill to fulfill the requirement of Article 128 of the Constitution for approval through a special law, it was sent to the Foreign Policy Committee headed by Senator Soto Amesty. There was a number of consultations with experts. Hector Santaella, Marcos Falcon Briceno, Carlos Sosa Rodriguez, Tito Gutierrez Alfaro, Tomas Enrique Carrillo Batalla, Francisco Manuel Marmol, Efrain Schacht Aristeigueta, Pedro Jose Lara Pena, Armando Hernandez Breton and I myself, among others, gave negative opinions on the Protocol for different reasons and we recommended its disapproval. Lastly, the chairman of the committee, Soto Amesty, finished a report that ended with these conclusions:

"The Port of Spain Protocol made in Port of Spain, Trinidad, on 18 June 1970 by the governments of Guyana, the United Kingdom and Venezuela should be disapproved....Consequently, the approbatory bill for this protocol submitted to the consideration of the legislative chambers by the minister of foreign relations according to Duty 843 of 22 June 1970 should be rejected."

What happened? In spite of the fact that the 27 sectional secretaries of AD revealed their complete rejection of the Protocol, in spite of the fact that the legislature of Bolivar's state--all AD and COPEI members--had revealed their rejection and ratified their adherence to the "Bolivar Statement," in spite of the fact that such AD distinguished men as Raul Leoni, Reinaldo Leandro Mora, Ruben Carpio Castillo, Alejandro Izaguirre and many others were violently opposed to the Protocol, the quartet of Barrios, Perez, Rey and Machin "appeased" the majority with the strange and stupid formula of "freezing the freeze." In practical terms of parliamentary maneuvering, it translated into "gaveling" the bill.

The downfall of the claim, crucified by the irresponsibility and the arrangements of the particracy that put its bastard interests above those of the republic, began here. A piece in the political game, perhaps the "freeze of the freeze" helped one of Perez' "Apostles" receive a juicy public works contract. This was the 1970 "agreement" ignoring that an international treaty needed validation by special law not only because the Constitution states this expressly in Article 128 but because it suspended the application of another treaty which is and was the law of the republic. This violated Article 177, the cornerstone of the state of law, which provides that laws are only repealed or amended by other laws. Accustomed to constitutional shamelessness because of constant abuses and distortions by the parties, they "passed over" the fact that the treaty did not establish an exchange or deposit of the instruments of ratification as a requirement for effectiveness. The Protocol went into effect immediately but it was never made valid. A

long pilgrimage of illegality ends with the embarrassment that the formal act announcing the decision to not extend it for 12 more years has to be done with the warning that it is done "de facto."

What Did Perez Negotiate with Burnham?

In 1973, C. A. Perez and the AD won the elections. In March 1974, with revenue tripled by increases in oil prices, Perez began his 5-year mandate that was going to end with a 100-billion debt, a deficit in the balance of payments and the country fleeing suicidal hypertrophy in the midst of a more immoral climate than ever known before. A majority in congress, peace in the country and no problems in the party helped give Perez the power and the authority necessary in 1974 when he inaugurated his mandate to "gavel" the approbatory bill of the Port of Spain Protocol, submit it to the consideration of Congress and, facing its disapproval, to continue--like today, 8 years later--with the procedure established in Article IV of the Geneva Agreement (see Article III of Port of Spain Protocol). On 18 June 1974, the Protocol had been in effect for 4 years without validity. During that period, what was done to justify the reasons given to sign it? Certainly, Calvani made a great effort to win popularity in the Caribbean although his results are obvious. A so-called "Border Policy" had been inaugurated and the matter of delimitation of marine and submarine areas with Colombia--which had been discussed lightly by the previous government--began to be discussed systematically, seriously and based on law but without any conclusion or tangible result. In any case, if Perez today calls the Port of Spain Protocol "illegal" and a "serious error" (which is true), why wasn't this truth submitted to serious analysis in the course of the previous 4 years, evaluating the reasons given at the time for its signing? He had the power and the prerogatives to do so. The argument of "deauthorization" that he gives today did not have any basis because the 1973 electorate "deauthorized" Caldera and his government. However, he did nothing. As the 5 years of the mandate of Perez and all the senators and deputies of the 1974-79 legislature passed, responsibility for the Port of Spain Protocol went from the original shoulders of COPEI and Caldera to the stretcher carried by Perez and Caldera, AD and COPEI. The Port of Spain Protocol was as mistaken, illegitimate and stupid in 1974 as it is today but at that time, instead of having lost 12 years, only 4 had been lost. Meanwhile, Guyana strengthened its ties with Castro, gave him his airport to stockpile the Cuban airplanes that flew to Angola, built military emergency airports, invited refugees from Laos, Cambodia and Vietnam to "settle" in the zone claimed by Venezuela and granted oil and mining concessions especially to Canadian and U.S. enterprises. Perez, after virtually dismantling the Border Office and further freezing pertinent studies being done in the foreign ministry, went to Georgetown. What did he say? What did he negotiate?

Officially, nothing. There was no "joint communique" and apparently there are no memoranda at the foreign ministry about what was discussed. However, when the Herrera government protested about the Mazaruni Dam, Burnham and other Guyanese officials said that Perez offered to finance it and even buy half the energy generated by it. Today Caldera blames Perez for this and even dares him to "reveal" what he "negotiated." Caldera again errs. Isn't this a concrete manifestation of what the Geneva Agreement means by "practical"?

With the authority of being the Venezuelan who has spoken to Perez most clearly--and having paid very dearly for it--I can say today that this is not intrinsically censurable.

My aversion for what Perez is and has been for Venezuela and its democracy does not go to the extreme of clouding my judgment and concluding that Perez offered the Mazaruni Dam free to Burnham. He must have asked for something in return. The fact that the negotiation will not materialize into something more concrete clearly indicates that what he asked Burnham for must have been, at least in Burnham's eyes, larger or more expensive or more important than what he offered.

Sad and Shameful Balance

Thus, the Port of Spain Protocol ends. With a Caldera adamant in his mistake and arrogant facing criticism. With a Perez who has managed to surpass his bad memory with his worse faith. With a Calvani more fanatical than ever. With a treaty that was never law and with a law which is a treaty which forces us to use a mechanism of negotiation for which 12 years have not sufficed for adequate preparation. With a public as ignorant and disoriented as always; at the last minute it was shown an insipid and deceitful little film which is very poorly made which shows that it was done in 10 minutes because 12 years were not enough. It is crammed with intolerable abuse of television, it is compulsive and untimely. With parties more interested in third-class debate and low-class arguments who abruptly cancel an "agreement" about which the country has historic reasons to fear the worst. The coming days, weeks and months will reveal all this and will reveal the lamentable level of degeneracy the country has reached in the hands of the AD-COPEI combination.

Agreement to Resolve Conflict Between Venezuela, United Kingdom Concerning Border Between Venezuela, British Guiana, Geneva, 17 February 1966

The governments of Venezuela and the United Kingdom, in consultation with the government of British Guiana,

Considering:

The coming independence of British Guiana;

Recognizing:

That very close cooperation between Venezuela and British Guiana would benefit both countries;

Convinced:

That any pending conflict between Venezuela on one side and the United Kingdom and British Guiana on the other would hurt such cooperation and, consequently, must be resolved in a friendly way acceptable to both parties, in accord with the agenda agreed on for government talks related to the conflict between Venezuela and the United Kingdom concerning the border with British

Guiana, according to the Joint Communique of 7 November 1963, have reached the following agreement to resolve the present conflict:

Article I

A Joint Commission is established with the charge to seek satisfactory solutions for the practical settlement of the conflict between Venezuela and the United Kingdom resulting from the Venezuelan contention that the 1899 Arbitral Ruling on the border between Venezuela and British Guiana is null and void.

Article II

(1) Within 2 months from the time this agreement goes into effect, two representatives will be named by the Venezuelan Government and two by the government of British Guiana to form part of the Joint Commission.

(2) The government that appoints a representative can replace him at any time and must do so immediately if one or both representatives are incapacitated by sickness, death or other cause.

(3) The Joint Commission can, by agreement between the representatives, designate experts--either in general or for a particular matter submitted to the consideration of the commission--to collaborate with it.

Article III

The Joint Commission will present partial reports every 6 months from the date of its first meeting.

Article IV

(1) If within 4 years from the date of this agreement the Joint Commission has not reached complete agreement for the solution of the conflict, it will refer any pending matters to the Venezuelan Government and the government of British Guiana in its final report. Those governments will promptly select one of the means of peaceful solution contained in Article 33 of the UN Charter.

(2) If within 3 months after receiving the final report the Venezuelan Government and the government of British Guiana have not reached an agreement on the selection of one of the means of solution contained in Article 33 of the UN Charter, they will refer the decision on the means of solution to an appropriate international organ that both governments agree on or, if they do not reach agreement on this point, to the UN secretary general. If the means chosen does not lead to a solution of the conflict, that organ or, depending on the case, the UN secretary general will choose another means stipulated in Article 33 of the UN Charter and so on until the conflict has been resolved or until all means of peaceful solution contained in that article have been exhausted.

Article V

(1) With the objective of facilitating the most cooperation and mutual understanding possible, nothing of the content of this agreement will be interpreted as a renunciation or diminution by Venezuela, the United Kingdom or British Guiana of any bases for claims of territorial sovereignty in the territories of Venezuela or British Guiana or any rights or claims of territorial sovereignty or as a prejudgment of their positions with respect to their recognition or nonrecognition of a right to claim or basis for claim of territorial sovereignty by any of them.

(2) No act or activity carried out while this agreement is in effect will constitute grounds to make valid, support or deny a claim of territorial sovereignty in the territories of Venezuela or British Guiana nor to create rights of sovereignty in those territories except when such acts or activities are the result of an agreement achieved by the Joint Commission and accepted in writing by the Venezuelan Government and the government of British Guiana. No new claim or expansion of an existing claim to territorial sovereignty in those territories will be valid while this agreement is in effect nor will any claim become valid except in the Joint Commission while that commission exists.

Article VI

The Joint Commission will hold its first meeting on a date and place agreed on by the governments of Venezuela and British Guiana. This meeting will be held as soon as possible after the appointment of its members. Later the Joint Commission will meet when and in the form agreed on by the representatives.

Article VII

This agreement will go into effect on the date of its signing.

Article VIII

When British Guiana obtains its independence, the Guyanese Government will, from then on, be a party to the present agreement in addition to the Venezuelan Government and the British Government.

In testimony to the above, the undersigned, duly authorized by their respective governments, have signed the present agreement.

Made in duplicate in Geneva on 17 February 1966 in Spanish and in English, both texts being equally authentic.

For the Venezuelan Government:

(Signed) Ignacio Iribarren Borges, minister of foreign relations

For the British Government:

(Signed) Michael Stewart, secretary of state for foreign relations

(Signed) Forbes Burnham, prime minister of British Guiana

Explanation of Reasons for Port of Spain Protocol Approbatory Bill

1. On 17 February 1966, an agreement between the governments of Venezuela and the United Kingdom, in consultation with the government of the colony called British Guiana, was made in Geneva. It went into effect at the time of its signing and was approved by congress on 15 April 1966.

2. In accord with Article I of the mentioned agreement, a Joint Commission was formed with two representatives from Venezuela and two from British Guiana charged to "seek satisfactory solutions for the practical settlement of the conflict resulting from the Venezuelan contention that the 1899 Arbitral Ruling on the border between Venezuela and British Guiana is null and void."

3. The mentioned Joint Commission held 16 meetings in different cities and ended its mandate without having accomplished the charge entrusted to it by the agreement due to the fact that, from the very beginning of its actions and during all the meetings held, there was complete disagreement between the Venezuelan and Guyanese representatives about the mandate of the organism they formed.

In effect, the Venezuelan representatives always maintained that, according to the letter and spirit of Article I, that mandate was exclusively to "seek satisfactory solutions for the practical settlement of the conflict." The Guyanese representatives held the opinion that determination of the nullity or validity of the 1899 ruling had to be discussed before analyzing any practical or de facto settlement.

4. In accord with Article IV of the Geneva Agreement, "if within 3 months after receiving the final report the Venezuelan Government and the government of British Guiana have not reached an agreement on the selection of one of the means of solution contained in Article 33 of the UN Charter, they will refer the decision on the means of solution to an appropriate international organ that both governments agree on or, if they do not reach agreement on this point, to the UN secretary general." This means that, since Article IV was not suspended, there was the chance that, 3 months after the final report of the Joint Commission, a matter of such vital importance for Venezuela as determination of the means of solution of the conflict would be out of the hands of the two parties directly involved to be decided by an international organism chosen by them or, in its place, by the UN secretary general.

5. When the Venezuelan Government saw that eventuality approach, it carefully examined the current situation of relations between the two countries as well as the general situation of foreign policy insofar as it could have repercussions on our aspirations. It reached the conclusion that the time was not propitious to enter into this new phase of the procedure. In effect, the Venezuelan Government felt that, given the lack of any progress in the Joint Commission and given the unfortunate but undeniable fact of the

deterioration of relations between Venezuela and Guyana, it was difficult if not impossible to hope that the mechanism of the Geneva Agreement could fulfill its function of procuring a satisfactory solution for the practical settlement of the conflict since achievement of that solution necessarily presupposes the exercise, within the means of solution, of a desire for understanding by both parties.

6. Under these circumstances, the Venezuelan Government which was already advancing analysis of the matter by its specialized organisms and officials felt it was necessary to expand those studies and incorporate qualified Venezuelans, distinguished for their legal opinions, their political and administrative experience and their knowledge of international affairs. Prominent people from different sectors including political leaders, former ministers of foreign relations, members of congress and other experts in law and international relations were consulted. Also the opinions of well-known foreign specialists were obtained.

All the possible alternatives were weighed with the greatest care and the conclusion was reached that the best thing, even though the atmosphere at that time seemed so difficult, was the search for a negotiated way with Guyana. The national government aimed its efforts to this end. In spite of the initial broad disagreement in positions that at the beginning seemed irreconcilable, the existence of Guyana's effective desire for negotiation was verified. This desire for understanding by both parties made it possible eventually to achieve the text of the Protocol that is submitted today for legislative approval. It leaves its rights and interests unharmed and opens the way to create the necessary conditions for a peaceful, honorable and equitable solution of the conflict.

The friendly cooperation of the prime minister of Trinidad and Tobago, his excellency Eric Williams, was particularly effective in the good success of the negotiations. He made every effort to achieve a satisfactory understanding for Venezuela as well as Guyana.

It is just to also recognize the spirit of receptiveness and cooperation of the Guyanese Government during the negotiations which led to this happy result in spite of the climate of tension and suspicion toward Venezuela that had existed in the past.

7. When the negotiations began, the Guyanese Government proposed too long a term of suspension in the opinion of the Venezuelan Government. This was based on the idea that the complete examination of the problem should be left to a new generation. Venezuela proposed a term that the Guyanese Government considered too short. The term of 12 years represents a compromise between the extreme proposals but is closer to the initial proposal of Venezuela rather than Guyana.

8. The essential advantages that the Port of Spain Protocol offers Venezuela, particularly the term of 12 years mentioned in the above paragraph, are:

a) it continues our claim on the territory taken from us by the 1899 ruling;

b) it keeps our border dispute with Guyana from quickly, even in 3 months, being taken from direct negotiations between the interested parties to pass into the hands of third parties;

c) it opens a sufficiently long period so that the two governments, as established in Article I of the Protocol, can explore all possibilities to improve the understanding between them and their peoples and undertake, through normal diplomatic channels, periodic reviews of their relations with the objective of promoting their improvement and producing constructive progress in them;

d) it contemplates the eventuality that, at the end of that period, there can be more appropriate circumstances that, within the terms of the Geneva Agreement and depending on the international situation prevailing at that time, can be translated into a solution of the conflict or the determination of a means to resolve it;

e) during those 12 years, it is possible for Venezuela--through intelligent and well-organized work for cultural, economic and other cooperation--not only to decrease existing tensions but to considerably improve the image that the Guyanese people now have of Venezuela which obviously does not correspond to its past and its glorious tradition in the American world;

f) the Protocol makes it possible to create a favorable atmosphere that permits continuation with the procedure set forth in Article IV of the Geneva Agreement at the end of 12 years under more favorable conditions for the fulfillment of its objective: a practical solution acceptable to the parties.

8. It is obvious that the term "freeze" used by some interpreters of the Protocol does not correspond to its real meaning or intention since the 12 years are not going to be a period of inactivity. On the contrary, according to Article I, the parties are obliged during that time to make real efforts to create a climate of true understanding that opens the way to finding the solution to the conflict as contemplated in Article III.

9. The fact that, according to Article II of the Protocol, territorial claims by one or the other party cannot be made valid during its effect does not mean that the rights on which such claims can be based are in any way diminished or lose effect, according to that provided in Ordinal 2 of Article IV of the Protocol. In this way, everything in the Geneva Agreement which is positive for Venezuelan interests remains unharmed. In all references to territorial claims, the Protocol carefully follows the text of the Geneva Agreement since this is a treaty in effect, duly approved by the sovereign congress.

10. Article III of the Protocol safeguards all Venezuelan rights that might exist at the time of the signing of the final report of the Joint Commission. In effect, on the date when the Protocol expires, the mechanism of Article IV of the Geneva Agreement will be resumed at the point of suspension--that is, as if the final report of the Joint Commission had been presented at that time.

The Protocol can never be interpreted as the renunciation or diminution of any right that Venezuela might have at the date of its signing or as recognition of any situation, use or claim that can exist then.

11. Article IV of the Port of Spain Protocol establishes that, during its effect, Article V of the Geneva Agreement will be in effect in relation to the Protocol in the same way it is stated. Naturally, it was necessary to eliminate references in that article to "British Guiana," replacing them with "Guyana." It was also necessary to eliminate the mentions of the "Joint Commission" since this no longer exists. It was considered preferable to incorporate the text itself of the Geneva Agreement in the Protocol instead of trying to write a new article in order to avoid any risk of changing the legal "status quo."

12. Article V of the Protocol establishes that this will have an initial duration of 12 years. This term is renewable by equal or lesser periods if the governments of Venezuela and Guyana thus agree.

If at the end of the initial period the national government feels it is appropriate to end the Protocol, it simply has to notify the other governments party to the agreement of its decision in writing 6 months in advance. If, on the contrary, it feels that an extension is beneficial for Venezuela, it is enough to not give that notification. If it feels it more appropriate, it can also agree with the Guyanese Government to renew it for a shorter term than 12 years but no less than 5 years.

In any case, it is important to point out Venezuela's right to end the Protocol at the end of its term.

In all the actions of the Venezuelan Government in this matter prevail the permanent conviction that the maintenance and defense of national rights concerning Venezuelan territory seized by the so-called 1899 ruling are essential and the full awareness that the efforts of the Venezuelan people and government must always be oriented toward correction of that injustice. There cannot be any doubt or hesitation about this. Our conduct will be judged in the last analysis by the responsible and efficient progress that we achieve toward that primordial objective.

In the opinion of the national government, the Port of Spain Protocol opens new and positive prospects. A victory of one party over the other should not be looked for in it nor can such a result be expected from a carefully negotiated text. It does represent a success of the desire for understanding and a new stage in the search for the solution of the conflict not only because it avoids inappropriate or inopportune steps but because it places emphasis on the constructive work of creating ties of cooperation and confidence between Venezuela and Guyana. As that work advances under the Protocol, progress toward the satisfaction of Venezuela's desire for justice consonant with its historic legacy which we have to zealously defend will be possible.

Caracas, 22 June 1980
(Signed) Aristides Calvani

The Congress of the Republic of Venezuela decrees the following:

Approbatory Law of the Port of Spain Protocol

Only Article: The Port of Spain Protocol made in Port of Spain, Trinidad and Tobago, on 18 June 1970 by the governments of Venezuela, Guyana and the United Kingdom is approved. Its text is as follows:

Port of Spain Protocol

The government of Venezuela, government of Guyana and government of the United Kingdom,

Having received on this date the final report dated 18 June 1970 of the Joint Commission established by the agreement between the government of Venezuela and the government of the United Kingdom in consultation with the government of British Guiana in Geneva on 17 February 1966, referred to in this document as the Geneva Agreement;

Convinced that the promotion of mutual confidence and a positive and friendly exchange between Venezuela and Guyana will lead to an improvement of their relations as appropriate to neighboring and peace-loving nations have agreed on the following:

Article I

While the present Protocol remains in effect, the Venezuelan Government and the Guyanese Government, subject to the provisions that follow, will explore all possibilities to improve mutual understanding between their peoples and will undertake, through normal diplomatic channels, periodic reviews of their relations with the intention of promoting their improvement and producing constructive progress in the same.

Article II

(1) While this Protocol remains in effect, no claim that arises from the contention mentioned in Article I of the Geneva Agreement, by Venezuela for territorial sovereignty in the territories of Guyana nor by Guyana for territorial sovereignty in the territories of Venezuela, will be valid.

(2) In this article, references to the territories of Venezuela and the territories of Guyana will have the same meaning as references to the territories of Venezuela and the territories of British Guiana, respectively, in the Geneva Agreement.

Article III

While the present Protocol remains in effect, the functioning of Article IV of the Geneva Agreement will be suspended. On the date when this protocol expires, the functioning of that article will resume at the point it was suspended--that is, as if the final report of the Joint Commission had been

presented on that date unless the Venezuelan Government and the Guyanese Government have first jointly declared in writing that they have reached complete agreement for the solution of the conflict to which the Geneva Agreement refers or have agreed on one of the means of peaceful settlement contained in Article 33 of the UN Charter.

Article IV

(1) While the present Protocol remains in effect, Article V of the Geneva Agreement (without affecting its subsequent application after the present Protocol expires) will be in effect in relation to the present Protocol, replacing the words "British Guiana" wherever they appear in that article with the word "Guyana" and eliminating the following phrases in paragraph (2) of that article:

a) "except such acts or activities resulting from any agreement achieved by the Joint Commission and accepted in writing by the Venezuelan Government and the Guyanese Government"; and

b) "nor will any claim become valid except in the Joint Commission while this commission exists."

(2) The effect of the present Protocol can never be interpreted as renunciation or diminution of any right that any of the parties might have at the date of its signing nor as recognition of any situation, use or pretension that might exist at that date.

Article V

(1) The present Protocol will remain in effect during an initial period of 12 years, renewable subject to the provisions of this article for successive periods of 12 years each.

(2) Before the end of the initial period or any period of renewal, the Venezuelan Government and the Guyanese Government can decide by written agreement that, at the end of that period, the Protocol will continue in effect for successive periods less than 12 years each but no less than 5 years.

(3) The present Protocol can expire at the end of the initial period or any period of renewal if, at least 6 months before the date on which it expires, the Venezuelan Government or the Guyanese Government give the other governments party to this Protocol written notification to this effect.

(4) Unless ended in accord with paragraph (3) of the present article, this Protocol will be considered renewed at the end of the initial period or at the end of any period of renewal, depending on the case, in accord with the provisions of the present article.

Article VI

The present Protocol to the Geneva Agreement will be known as the Port of Spain Protocol and will go into effect on the date of its signing.

In witness whereof, the undersigned, duly authorized by their respective governments, sign the present Protocol.

Made in triplicate in Port of Spain, Trinidad and Tobago, on 18 June 1970 in Spanish and in English. Both texts have equal validity.

7717

CSO: 3010/1794

END